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The Nation's Business

Family Concerns Become Public Investments

Logical Mergers Lower Costs and Prices

Nova Scotia Case May Revive Move to Abolish Senate

THE passing of the old family business into the realm of public investment is a modern tendency in Canada which can be attended only by sentimental regret. The business enterprise of importance is necessarily too large for individuals adequately to finance (unless he be a Henry Ford) and it is questionable if it is in the interest of the individual that he be the only person financially interested in an enterprise of magnitude. Certainly an estate which consists largely of bricks and mortar and machinery and goodwill is likely to show a greater shrinkage than is an estate in a more liquid form. The adage might reasonably be revised to say that a man should not leave all his eggs in one basket.

* * *

FROM the viewpoint of the public, the frequent mergers that involve the industrial and financial world are no cause for worry. There may have been an old-fashioned type of industrialist who looked on a merger as a means of boosting prices and there may be a few politicians who profess to view with alarm every absorption.

As a matter of fact, mergers which are logical and sound, are likely to result in lower costs of manufacture and lower prices to the consumers, as well as higher profits for the manufacturers. The idea that high prices for essential and staple commodities lead to high profits has been disproved so often that there is scant discussion on the point in the present day.

Volume is what counts.

* * *

COMPETITION is more prevalent than the street-corner radical ever could see if he had eyes. Competition will maintain prices at as low a level as is consistent with manufacturing costs, and sometimes below that point. Every industrialist knows this and, while urging his sales forces to greater efforts, is likely himself to turn to the problem of reducing his costs.

* * *

BUSINESS men can see as far as anyone. The really successful ones are daily foregoing the immediate profit in the hope of a greater reward in the future. Here is a case in point:

One of the largest Canadian companies finds itself this year with what appears to be almost a corner of a certain line of commodities. That company is in a fortunate position and will benefit greatly because it will have goods to sell when its competitors will be unable to fill orders.

Here, it would seem, if anywhere, is a chance to increase prices. But prices are just the same this year as last year, which was a season of abundance. The company could perhaps double its net income for the year if it desired to boost prices in conformity with the shortage.

* * *

IT WOULD be good business policy, perhaps, for that company to boost prices if it were going out of business at the end of the present year. But the company expects to be in business next year and for years thereafter. Nothing rankles in the consumer's mind so much as the feeling that he, or she, has been the victim of extortion. Extortion this year would eliminate good-will, which would subtract from profits in later years.

* * *

ANNOUNCEMENT that the privy council has upheld the Rhodes government in its application for the right to abolish the legislative council of Nova Scotia, or Upper Chamber, again focuses attention on the Dominion Senate. With its preponderance of Conservatives, many of Mackenzie King's plans have been set at naught. Naturally aggravated by the action of the Senate, he has put forth strenuous efforts to reform the Upper House, ostensibly with the intention of doing away entirely with the Senate.

* * *

OBJECTION from the Opposition, as well as from his own partisans, caused Mr. King to pursue a middle course. There was much talking, but little action. Now that Mr. Rhodes, a Conservative leader, has got the whiphand over the Liberal legislative council in Nova Scotia, Mackenzie King may feel encouraged to continue his battle against the Senate. While the precedent set by the Nova Scotia government does not hold good in its entirety as regards the Dominion Senate, yet there are points of similarity, which Mackenzie King may not fail to grasp.

* * *

NO ONE will contend that the Senate has been right in all its action, but the situation created by the three-party system in the past five or six years has been such that Canada is fortunate in having an independent body, albeit influenced by party feelings, to act as a brake on much unnecessary legislation. Reform of the Senate may be needed, but not abolition.

HUDSON BAY MEN MUM ON ATTACKS BY SHAREHOLDER

Governor Charles Sales Declines to Comment on Confidential Letter

SAYS PROFITS DWINDLE

English Shareholder Claims Company is Investing in Store Properties That Return Little

By Staff Editor

WINNIPEG. — Officers of Hudson's Bay Company are disinclined to discuss attacks on the company that have been made in a confidential letter circulated in Great Britain by one of the company's shareholders. In this letter it is charged that the company is piling up huge investments in merchandising properties that are not paying their way and that the company's land sales are leaving only a moderate sum after taxes and other expenses have been met.

George W. Allan, K.C., chairman of the Canadian committee, had nothing to say, referring The Financial Post to the governor of the company, Charles Sales, of London, England, now in Canada. Mr. Sales begged to be excused from making any comment on the letter, when asked by The Financial Post to present the company's side of the story.

Says Company Drifting

The British shareholder who has sent out a "confidential" letter to a number of his fellow shareholders points out that his purpose is "by concerted action" to "achieve some improvement in the administration of the company's affairs which appear to be drifting in a very unsatisfactory position."

He says in part in his letter:

"The company's shares which in June, 1912, stood at 13¾, have fallen by successive and continuous stages until they now stand at only about 4½.

"Whilst the directors have increased the amount invested in the fur and saleshop departments from £3,350,972 in 1920 to £6,779,656 in 1927, the profits at the same time have continuously fallen from £410,899 in 1920 (equal to 12 per cent.) to £151,910 for 1927, being only 2

(Continued on page 8)

Pool Farmers Get Less for Wheat Than Others

WINNIPEG.—It sounded like a lot of money for Western Canada when the wheat pool announced that the final distribution to farmers on account of the 1926-1927 crop would amount to $19,000,000, but there is a great deal of disappointment and chagrin among the farmers.

The distribution brings the price on No. 1 Northern to $1.42 a bushel with other grades in proportion. From this the various provincial pools have made deductions for the building of elevators, for reserves, etc., these deductions will amount to nearly six cents a bushel. The farmers' actual return will be somewhat over $1.36 a bushel. This compares with the average closing price on the Winnipeg grain exchange for the period covered by the pool's year of $1.46 a bushel. This may be taken as the average price received by non-pool farmers. The difference of ten cents a bushel will be considered a high price to pay for the privilege of belonging to the pool.

Announcement of the final payment has been late this year, and, fortunately for the pool, comes at a time when the wheat market has had a marked decline. Compared with present prices, the pool price for last year is not unsatisfactory.

Of the amount, the Saskatchewan Pool members receive $12,929,207, Alberta members $4,198,587 and Manitoba $2,085,575.

The total payment made by the central selling agency to the three provincial pools, represents the net balance after deducting all marketing costs incurred by the central selling agency, such as storage, interest charges and administrative expenses from the proceeds of the 1926 crop.

Grade Spread Adjusted

As in previous years the spreads between grades have been adjusted in the final payments which reflect the actual price secured for the various grades. The final payments make the total price on the principal grades as follows: No. 1 Northern $1.42; No. 1 Durum, $1.45; No. 2 Northern $1.37¾; No. 3 Northern, $1.31; No. 4, $1.21½; No. 5, $1.09; No. 6, 97½.

Holding Company Seeks Control of 15 Western and One Eastern Trust

WINNIPEG.—Canadian Guaranty Trust Company, of Brandon, has decided to retain its own identity. Shareholders have voted to turn down an offer of $40 a share for their stock, $25 paid up, made by Confederation Investments, of Toronto. Rt. Hon. Arthur Meighen, who came to Brandon to buy the company, went home empty-handed.

Confederation Investments is a financial holding company formed by Canadian General Securities Co., the W. W. Evans-Meighen organization in Toronto. Canadian General Securities is said to have subscribed $500,000 of capital for Confederation Investments.

Try to Form Chain

The purpose of the new company is stated to be to acquire control of a chain of trust companies throughout Canada. It is said that fifteen small trust companies in Western Canada either have received or are to receive purchase offers from Confederation Investments, and one large one in Toronto. The Toronto trust company is not named in local gossip.

Canadian Guaranty Trust Company has now roughly $600,000 of subscribed capital and $304,499 was paid up at the end of the year 1926. This represented payments of $25 on the stock and the offer to purchase represented only $10 a share for the stock paid up to the extent of $25. Shareholders turned down the offer by four to one.

Manitoba Power May Pay Initial Dividend; Earnings Grow Rapidly

Several Large Consumers Begin to Take Current in Year

FUTURE IS BRIGHT

Mining District, Paper Company Begin to Use Large Blocks of Electricity on Contract

MONTREAL. — It is understood that Manitoba Power Co. in view of its satisfactory earnings during the past year, contemplates the declaration of a dividend of from $1 to $1.50 a share on its stock in the near future. This will mean a substantial increase in the earnings of Winnipeg Electric Company, as this company controls a majority,—some sixty per cent.— of the Manitoba Power Company's stock, which is confined to 100,000 shares of no par value capital stock.

In view of the great improvement that has come to Manitoba Power Co. during the past year through expansion of its hydro generating plant at Great Falls on the Winnipeg River, the extension of its transmission lines, and the increased demands on its power production, it has been felt that the declaration of a dividend, soon was to be expected.

During the past year it is said that the consumption of power has more than doubled. To take care of the increased demand the company has brought the generating capacity of its plant up to 112,000 horse power. This consists of four units of 28,000 horsepower each. The third unit was installed in 1926 and the fourth was brought into operation this summer.

Build Transmission Line

During the latter part of 1926 it was found necessary to construct a fifteen mile 110,000 volt steel tower transmission line to carry the company's power to the Manitoba Paper Company's plant at Pine Falls. The paper company, which has brought two paper machines into operation during the year, is taking a load of approximately 20,000 horsepower. The power demands of the paper company will increase materially as time goes on. All its electric power requirements have been contracted for with the Manitoba Power Company for the next ten years.

At the time the contract for the power was made, Manitoba Paper

(Continued on page 16)

Eaton's London Store First of Big Chain

Reported purchase by T. Eaton Company of a valuable property on Clarence Street, London, is believed to be the forerunner of the establishment of a very large groceteria in that city by the Toronto merchandising institution.

Eaton's have been acquiring sites throughout Western Canada and are now establishing groceterias, men's wear stores and other units in different parts of Ontario. Most of these small stores are believed to be forerunners of larger stores to come.

NATIONAL FIRE SUIT CAN NOW PROCEED

Court Ruling on Shareholders' Vote Allows Company to be Included as Defendant

WINNIPEG.—According to a court order issued this week, suit that was instituted recently against directors of the Canada National Fire Insurance Co., may now be proceeded with. Action was taken by L. H. Leavens who prepared a lengthy indictment, alleging maladministration. The suit has been held up for several months, pending the appeal against the use of the company's name as co-plaintiff in the action.

A vote was taken recently of the shareholders to determine whether or not the company's name could rightfully appear in this connection. This was so complicated that it required a court order to ascertain the result. This decision allows the action to proceed, and enables the plaintiffs to include as co-plaintiff the name of the company.

The judge ruled that votes of the directors should not be included in the final count.

Canadian Mining News

Pages 25-30

Bonus is Prospect for McColl Bros. Common Stock

McColl Bros. shares continue to occupy a prominent position in the market spotlight. Both activity and strength were manifest this week, the price moving to the 48 level.

It is learned on high authority that a bonus is in prospect at the end of the year.

The present dividend is at the annual rate of 80 cents, and it is assumed that the bonus will make a worthwhile addition to the shareholders' dividend receipts.

With a bonus of twenty cents mentioned for British American Oil shares it is assumed that the bonus on McColl stock will be substantially higher, because of the comparatively small size of the issue outstanding as compared with the heavy capital of British American Oil. There are 150,000 shares of McColl as against 1,307,304 shares of B. A. Oil. The company is enjoying a record year, and the outlook is promising.

Page-Hersey Stocks Continue to Ascend

The common and preferred shares of Page-Hersey Tubes, Ltd., have been stronger on the Toronto exchange in the last several days, on the assumption that the company was retiring its bonds more rapidly than under sinking-fund requirements. The company's earnings are known to be excellent and the stock has gone forward consistently for more than a year.

The preferred stock moves with the common. The preferred is convertible into common on the basis of two shares of common for one preferred.

New Bank Building

The Bank of Toronto is building a new building to house its branch at Dundas and Wellington Streets, London.

Canadian Industrial Alcohol Ends Most Successful Year

From Our Own Correspondent

MONTREAL. — The Canadian Industrial Alcohol Company of Canada, the fiscal year of which closed September 30th, is reported to have completed the most successful year in its history. In view of the fact that the company was able to double its net earnings between the close of 1923 and 1926, a report of its earnings during the past year should prove interesting reading. It is stated that an announcement is to be made by the company before the end of the year that will prove most welcome to its shareholders.

The net profits of the company for 1926 amounted to over $2,100,000 and after paying dividends of some $1,024,000, a surplus of about $1,085,000 remained. This with a previous surplus enabled the company to carry forward a credit balance of over $2,700,000.

It is believed that a portion of the company's current liquid assets were used in purchasing control of the Robert McNish & Co. distillery, which it recently acquired.

Canadian Industrial Alcohol shares have been unusually active for some time past, the stock range of the shares for 1926 was from 16¼ to 34⅛, this year a new high of 40 was reached but prices later reacted and the stock has been selling around 37 of late. The capitalization of the company consists of an authorized issue of 1,500.000 shares of common capital stock of no par value of which there are 969,480 shares outstanding. A dividend of 32 cents a share has been paid quarterly since January 1925, and a stock bonus of 20 per cent. was declared last January.

British Investors In Great West Loan May Lose Heavily

Winding-Up Order Granted and Outlook is Bad

CAPITAL WIPED OUT

Also Expected That Debenture Holders Will Drop Part of Capital in Liquidation

By Staff Editor

WINNIPEG.—Granting of a court order for the winding up of the Great West Permanent Loan Company presages a serious shock to come soon for sundry British investors who have put their faith in the directors of that company. The final determination of the value of the company's assets is yet a long way off; from the evidence already available it may with some reason be feared that the shareholders are absolutely wiped out while the debenture holders will lose something.

The company has $2,600,000 of debentures outstanding and probably 95 per cent. of these are in the hands of British investors who bought them on representations made by the company's directors and by agents for the company in Britain who apparently were deceived as badly as the investors themselves. Canada may as well make up its mind to face a storm of abuse from the British press when the facts of the Great West Permanent Loan case begin to filter over to British editors. That these debenture holders have been misled is apparent from the evidence.

May Be Criminal Action

The case may have its reverberations in the further Canadian courts before the smoke has cleared away. After the liquidator appointed by the court to wind up the company has made such a thorough examination of its affairs as can be made only with all the books and records at his disposal, he will likely place in the hands of the Attorney-General of Manitoba any facts gleaned from his examination. The attorney-general will have to decide if criminal charges are to be pressed. Justice Dysart this week refused to entertain suggestions of fraud. The errors were errors of judgment, he thought.

In granting a winding up order Justice Dysart gave the following reasons for his judgment:

1. Evidence showed that the company's assets were impaired more than 25 per cent.
2. He was convinced that the impaired capital could not be restored within a year.
3. The company had been refused a license to operate.
4. Bonds amounting to $431,000 come due in November, and the company had no money with which to pay them.
5. The company was conducting a losing business and operating expenses were too heavy.
6. Most of the company's assets are frozen.
7. The condition of the company seemed to be growing steadily worse.

This summary puts the case mildly.

There will likely be some legal tussle before the liquidator is finally appointed. W. T. Alexander and his fellow directors have some fight left in them yet and will no doubt hold to the view that the company can best be administered by three trustees to represent the debenture holders. These trustees are now in possession

(Continued on page 8)

Mount Royal Hotel to Issue New Bonds

From Our Own Correspondent.

MONTREAL.—Shareholders of the Mount Royal Hotel Company have decided to take advantage of the cheaper money rates now prevailing, and a new bond issue proposed by the directors has been ratified by the shareholders at a special general meeting called for that purpose this week.

The new issue will consist of $4,000,000 5½ per cent. first mortgage bonds to be used to retire the present issue of $4,000,000 7 per cent. first mortgage bonds.

Of this issue $240,000 has already been retired by the sinking fund, leaving $3,760,000 outstanding.

The new financing will result in a considerable saving in interest charges for the hotel company and will tend further to facilitate an improvement in dividends. It is not thought that a public offering will be made but that an exchange will be effected with the holders of the present issue.

ALBERTA PACIFIC GRAIN CO. WILL HAVE BEST YEAR

Predict Earnings More Than Double Those of 1927

Alberta Pacific common is being quietly accumulated around current market levels of 42-43 by informed interests who believe that conditions obtaining in the Western wheat lands this season justify an optimistic outlook for the company. A bumper crop for the entire prairie region, and a record crop for all time for Alberta, coupled with highly favorable harvesting conditions in later weeks, and markets that are tolerably firm, are a set of conditions which are bound to react favorably upon this enterprise with its extensive ramifications largely centred in the belts where the most prolific production is being experienced this year.

It is pointed out by interests closely associated with the stock that if the company was able to earn approximately $360 a share in 1926, a year of moderate crops, moderate prices and adverse marketing conditions, the company should earn much more in a year such as the present when all conditions are highly favorable. It is estimated that earnings should run to at least $8 to $10 per share of common, and in less conservative quarters it is suggested that $12 per share is within the realm of possibility. In any event the prospects are distinctly favorable, and if the situation materializes as is now indicated a substantial dividend on common is probable. The company is ably managed, and has a long and successful record behind it. The stock has able sponsorship in the market.

Would be in Merger

Another factor of importance, to which interests closely allied with the stock are pointing, is the possibility of a linking up of the independent grain concerns into one large and dominating enterprise. This development is regarded as something more than a mere possibility, and if it comes, Alberta Pacific Grain Co., one of the largest of the independents, will occupy a key position, with resultant benefit to shareholders.

Investors' Index

INDUSTRIAL

Acadia Sugar . 13
Alta. Grain . . 1
B. A. Oil . . . 11
B. A. Brew . . 12
Besco 24
Brooks Motors . 16
Can. Brew. . . 7
Can. Bronze . . 11
Can. Cement . 13-15
Can. Ind. Alco. . 1
Can. Marconi . 11
Can. Royalties . 11
Can. Vickers . 11
C. N. R. . . . 8
C. P. R. . . 9-11
Canners . . . 4
Carling's . . . 4
C. S. Lines . . 11
Cub. Can. Sug. . 7
Diversified Sec. . 24
Dom. Combing . 9
E. B. Eddy . . 9
Fanny Farmer . 16
Gen Steel . 1-12-20
Granby's . . . 8
G. W. Loan . . 1
H. Walker . . 11
Hudson's Bay . 1
Inter. Nickel . 11
Inter. Paper . . 4
Inter. Pete. . . 11
K. E. Hotel . . 4
Laura Secord . 24
Mani. Paper . . 13
Man. Power . . 24
McColl Bros. . 1
Moirs 4
Mont. Power . 11
Mt. Royal . . 1
Ogilvies . . . 7
Page-Hersey . . 1
Power Corp. . . 11
Que. Dairies . . 13
Robt. McNich . 11
Robin Jones . . 9
Royal Broom . 12
Seagram's . . 11
Stanfords . . 5
Ster. Accept . . 11
St. Lawr. Mills . 22
United Amus. . 9
Vomen Cereal . 11

QUOTATIONS

Mining Stocks . 26
Stock Markets . 5
Unlisted Bonds . 13
Unlisted Stocks . 5

MINES

Abana . . . 25
Bidgood . . 25-28
Bush Cons. . . 29
Coniaurum . . 28
Dome 26
Flin Flon . . 25
Int. Nickel . . 26
Lebel Oro . . 25
Marclay . . . 27
Marriott . . 30
McIntyre . . . 27
Novamac . . . 29
Pioneer . . 25-28
Ribago . . . 27
San Antonia . . 27
Sherriff-Gordon . 25
Smelters . . 25-29
Sudbury Basin . 25
W. Dome . . 27
W. Hargreaves . 25
Investors' Inquiries 11, 24

SPECIAL FEATURES

Crofter's Son Has Been Mighty Builder .. 14
France's Little Tilt Over Tariff 8
Municipal Income Tax, Second Article 23
Tax Basis Should be Framed to Attract Capital 22

Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Buying Power for 1927-28 Likely to Exceed Last Year
Alberta Anticipates Substantial Increase in Farm Revenue
Favorable Balance of Trade Shows More Favorable Trend
Large Stocks Cause Uneasiness in Newsprint Industry
Freight Movement Smaller on Account of Rainy Weather

REVENUE from the Western crops will play an important part in regulating industrial activity during the balance of 1927 and the first half of 1928.

Reports to hand indicate that the yield will measure up to that of last year, but the grade will be somewhat lower. On the other hand, wheat prices are proportionately higher, and revenue from grain and other field crops will equal or exceed that of the previous year.

There has been a tendency on the part of the manufacturers and distributors to withhold commitments until a reasonably accurate estimate can be made of the Western farm revenue. Last year, the Western provinces received over $900,000,000 from agricultural pursuits. This meant a purchasing power of over $300 for each man, woman and child.

Buying Power Will Vary

The relative buying power of the four Western provinces will vary greatly during 1927-28, however, on account of variations in crop yields. Manitoba's revenue from farm products will undoubtedly be lower than last year. Saskatchewan will probably have the same purchasing power, while British Columbia's will be somewhat under that of 1926-27.

The greatest change will take place in the purchasing power of Alberta as resulting from farm revenue. This province is garnering the greatest crop in its history. It is by far the best both from the standpoint of yield and quality. Last year Alberta had a revenue of approximately $235,000,000 from field crops. This total was a trifle less than in the preceding year. On present indications, revenue for 1927 should be in excess of $300,000,000.

This buying power will become even more pronounced if prices of manufactured goods continue to decline more rapidly than those for farm products. During the past month the index of all commodity prices fell 1.3 points, being 151.0 as compared with 152.3 in August. Farm products are now about 62 per cent. above the 1913 level, while consumers' goods and partially manufactured products are 53.5 per cent. and 46.5 per cent. above the pre-war level.

Exports Exceed Imports

A change is noted in the external trade situation for September as compared with August, exports having exceeded imports by a comfortable margin. During the month, exports totalled in value $97,412,316, as compared with $94,216,194 in August and $92,224,610 in the same month a year ago. At the same time, importations totalled $91,802,777, a drop of about $7,500,000 from the preceding month, but over $6,000,000 ahead of September, 1926.

The favorable balance of trade, while arrested in its downward course, is still behind that of last year. For the six months ended September last, exports exceeded imports by only $11,350,000, compared with about $43,600,000 for the corresponding period of 1926. The period of heavy exports, however, is still ahead of us and the "favorable" difference in the next quarter should bring the total up to a level comparable with that of the same period a year ago.

A marked feature of the external trade situation this year, is the substantial increase in duty collected. For the first half of the current fiscal year, revenue received by the Government totalled $85,086,623. This is approximately $7,000,000 more than that taken in in 1926, and is considerably greater than in either 1925 or 1924. As pointed out in this column, a continuation of the present favorable showing in duty collected will undoubtedly result in further tax reduction.

Doubt About Paper Industry

A rather disturbing factor in the manufacturing situation is to be seen in the large increase in stocks of Canadian newsprint mills. This industry is one of the most important and as a producer of new wealth stands unequalled. Its remarkable showing in the past four years has been largely instrumental in bringing about the present era of prosperity.

Canadian mills this year have produced 1,338,513 tons more than in the first nine months of 1926. At the same time ratio of production to capacity has been lowered. From January to September last year, the mills operated at 97.8 per cent. of capacity. This year the ratio has been 85.0, while for September last it was 84.1.

It is difficult to foretell just what the immediate future holds for the newsprint mills of Canada. The fact that mill stocks are larger at present than at any other time in the past seven years leads to the assumption that production is mounting so rapidly that consumption cannot keep pace.

A similar situation occurred last spring, but the impending setback was avoided by the voluntary reduction of operations. Another move along the same lines is not unlikely. The newsprint industry cannot afford to have a recurrence of the "break" of 1921.

Freight Movement Smaller

No news of great consequence has come to hand in regard to the business situation as a whole. The most interesting, perhaps, was the weekly report on railway traffic, which is nowadays closely studied. Loadings for the first week in October were affected by the rainy weather in the West and the movement of 76,883 cars was 1,253 less than in the same week a year ago.

The decrease last week was one of the largest reported in any week since July. Aside from the smaller movement of grain, the report shows that the distribution of other commodities is well up to the high level established earlier in the year. Merchandise, coal, livestock and miscellaneous loadings are ahead of last year, while the decreases in the other classes are not particularly important.

Agricultural Survey

Threshing is Delayed
Wheat Prices Easier
Dry Rot Harms Potatoes
Eastern Crops Average

Rainy weather continues to hold up threshing in the West. For the past ten days little or no work has been done. Clear weather in a few districts has enabled the farmers to continue operations, but, generally speaking, the work is later than last year.

The latest reports show that considerable grain has still to be threshed in all three Prairie Provinces and at least another week or two will be required to garner the remainder of the 1927 crop.

In Manitoba approximately 75 per cent. of threshing is completed. In many sections, farmers report the crop 100 per cent. garnered, but in others where the inclement weather has been more continuous, not more than 10 per cent. has found its way to the granaries. Yields vary greatly, ranging from ten to twenty-five bushels of wheat to the acre. With the exception of oats, the coarse grain crops, of Manitoba promise returns.

The other two provinces report similar conditions. About 20 per cent. of the Saskatchewan wheat has been threshed, although some areas report as high as 85 per cent. of the crop garnered. Threshing has been intermittent in Alberta during the past two weeks and here again, it is difficult to determine what percentage has been threshed.

Wheat Prices Down

Improving conditions for threshers has tended to ease wheat prices down. Much of the selling appeared to be of a hedging character against the movement of new spring wheat. Less pessimistic advices meanwhile in regard to the Australian crop outlook, also had an effect on the market. Foreign buying has been more active. Import demands are being gauged more accurately and the volume of buying on foreign account is expected to be pronounced in the next week or two.

Eastern conditions do not show any marked change. Quebec reports a good crop of oats of fair quality. Potatoes have been affected to some extent by rot and the crop in most districts is below average.

Threshing continues in Ontario and the grain returns to date have been satisfactory. Roots are good, but the potato crop is not as heavy as anticipated, although the quality is good. From all sections of the province, there are poor reports concerning the apple crop. In connection with the latter, the Government has taken steps looking to the improvement of marketing arrangements in the British Isles. It is likely that this will result in a larger return to the growers.

Maritime Crops Fair

The hay crop in the Maritimes has not come up to earlier expectations. The yield is about the average, but some is under average quality. Pasturage is good and dairying conditions excellent. Due to rot, potatoes in all three provinces have suffered. The apple crop outlook in Nova Scotia is more encouraging, although the yield is still expected at slightly over 60 per cent. of a five year average.

Wet weather has damaged grain in stook, according to reports from Britinsh Columbia. Threshing is completed in the Fraser Valley, but the yield is about 20 per cent. below that of last year. Rains have also damaged onions, but other vegetables will show satisfactory yields. Fruits are generally satisfactory, the latest estimate of the apple crop placing the yield at about 75 per cent. of average.

Business Conditions in United States

Dollar volume of business in the United States during the week ended October 8, as seen from data covering check payments, was substantially greater than in either the preceding week or the corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices showed no change from the previous week, but were still below the prevailing level of a year ago. Prices for cotton averaged lower than in the previous week, but were substantially higher than in the corresponding week of last year. Wholesale prices for wheat averaged higher than in the previous week, but were lower than in the same week of 1926. Iron and steel prices receded from both the preceding week and the corresponding week of last year. The value of new building contracts awarded in 37 states, although lower than in the preceding week, was higher than in the corresponding week of last year. Receipts of cotton into sight were smaller than in either the previous week or a year ago.

Loans and discounts of Federal reserve member banks continued to expand, being higher also than in the same week of 1926. Prices of stocks listed on the New York Stock Exchange reached a new high point during the week. Loans by member banks in New York City to brokers and dealers secured by bonds and stocks were higher also than at any time since figures have become available. Interest rates on call loans, showing an advance over the preceding week, were nevertheless lower than a year earlier. Bond prices continued to average higher as compared with both prior periods. Interest rates on time money, showing no change from the preceding week, were lower than a year ago. The Federal reserve ratio again receded from the preceding week, but was higher than in the same week of last year. Business failures were more numerous than in either prior comparative period.

Production of bituminous coal during the week ended October 1 was greater than in the preceding week, but smaller than a year ago. The output of lumber during the same week was larger than in either the previous week or the corresponding week of 1926. Beehive coke output, on the other hand, was smaller than in either prior comparative period. Petroleum production expanded slightly over the preceding week, being larger also than in the same week of last year. Wheat receipts at primary markets were more than twice as large as a year ago, while receipts of both cattle and hogs were substantially smaller than in the same week of last year.

Weekly Business Indicators
(Relative numbers, average 1923-25—100)

	Oct. 1 1927	Oct. 2 1926
Bituminous coal production	103.8	123.2
Lumber production	107.8	103.2
Beehive coke production	41.2	75.1
Petroleum production (daily average)	121.8	105.3
Freight car loadings	....	123.7
Building contracts (27 states)	145.1	150.7
Wheat receipts	252.6	116.0
Cotton receipts	261.2	321.5
Cattle receipts	114.2	129.1
Hog receipts	51.6	58.6
Price No. 2 wheat	93.7	97.9
Price cotton middling	80.1	52.6
Price iron and steel composite	87.2	91.4
Fisher's price index	93.6	95.4
Bank loans and discounts (ttl.)	119.6	115.2
Debits to individual accounts	113.8	108.5
Interest rates, call money	97.0	133.3
Business failures	94.6	81.8
Stock prices	185.6	140.5
Bond prices	109.9	105.8
Interest rates, time money	100.0	114.8
Federal reserve ratio	98.4	93.7

Canadian Western Lumber

The August earnings statement of the Canadian Western Lumber Co., which includes the Columbia River Lumber Co., shows sales of lumber for the month amounting to 16,746,893 ft., realizing $387,124, compared with 17,828,993 ft., realizing $416,218, for the same month in 1926.

The aggregate sales for the eight months ending August 30, at 106,494,389 ft., realizing $2,338,989, show a decrease from the 108,775,229 ft., realizing $2,594,849 for the corresponding period last year.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (Aug.)	63,234	58,780	517,844	496,876
Steel, tons (Aug.)	77,479	45,674	620,039	541,705
Newsprint, cwts. (Aug.)	180,187	162,545	....	....
Automobiles (Aug.)	12,526	15,261	150,321	155,846
Boots and shoes, pair (Aug.)	1,675,598	1,406,782	11,867,591	11,338,398
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (Sept.)	$32,787,700	$20,761,400	$304,873,700	$280,865,400
Building Permits (Aug.)	$29,651,888	$11,672,599	$127,609,318	$109,211,942
Labor—Employment index (Aug.)	....	....	109.7	104.9
Transportation—				
Car loadings (to Oct. 8)	76,883	78,136	2,496,809	2,390,654
C.P.R. gross (Aug.)	$17,258,634	$16,630,174	$122,129,911	$118,456,381
C.P.R. net (Aug.)	3,862,148	4,305,375	20,001,234	22,183,197
C.N.R. gross (Aug.)	$21,670,324	$21,059,374	$172,401,492	$167,799,279
C.N.R. net (Aug.)	4,094,298	4,027,133	20,632,067	23,049,875
Population—				
Emigration (July)	7,180	......	81,506	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade (Sept.)—				
Imports	$91,802,777	$85,562,911	$816,388,700	$750,782,945
Exports	97,412,316	92,224,610	833,447,713	898,793,982
Imports of key products (Aug.)—				
Rubber, lbs.	4,509,642	......(12 mos.)	56,359,087	46,189,124
Cotton, lbs.	7,266,657	......(12 mos.)	145,180,642	134,405,517
Sugar $	4,657,478	......(12 mos.)	800,126	1,050,061
Petroleum, gals.	77,253,495	......(12 mos.)	796,357,772	601,312,867
Coke, tons	72,823	......(12 mos.)	800,126	1,050,061
Exports of key products (Aug.)—				
Newsprint (cwt.)	3,262,301	......(12 mos.)	36,354,500	32,384,966
Automobiles, pass. (No.)	3,020	......(12 mos.)	51,597	55,995
Wheat, bus.	12,197,098	......(12 mos.)	253,922,029	269,761,912
Wheat Flour, bbl.	513,702	......(12 mos.)	9,302,114	10,671,368
Finance—				
Failures, number (Aug.)	147	121	1,150	1,109
Failures, liabilities (Aug.)	$2,371,788	$1,971,664	$18,765,691	$18,518,577
Bank Debits (Aug.)	$2,607,000,000	$2,446,000,000	$21,313,000,000	$19,411,000,000
Bond sales (Sept.)	$48,556,000	$59,401,377	$373,920,810	$478,417,239
Stock prices index (Oct. 1)	....	....	458.0	204.8
Insurance sales (Aug.)	$38,360,000	$36,010,000	$325,198,000	$304,928,000
Wholesale prices (1913-100)—				
General index (Sept.)	....	....	151.0	152.5
Iron	....	....	142.6	144.3
Cotton	....	....	174.8	133.8
Grains	....	....	164.9	158.1
Cattle	....	....	115.1	100.7
Rubber	....	....	56.0	66.0

Canada's Economic Position Showing Steady Improvement

Canada's economic position is generally conceded to be showing a steady improvement. Tangible evidence of this fact is found in the ability of the Dominion Government this year to retire out of current revenue a substantial part of its maturing funded obligations in the face of reductions effected in various forms of taxation, says a bulletin issued by Wood, Gundy & Co.

Similarly, this same improvement is generally reflected in the more sound condition of practically all classes of public borrowers, with a consequent increase in the intrinsic value of their securities.

During the next few months, Canada's grain crop (which from the three western provinces alone, is estimated will exceed in value $750,000,000) will be sold, thus substantially augmenting the country's cash resources. In addition, during the next three months cash payments to investors through principal repayments, interest and dividends, the Dominion Government's portion of which is estimated will exceed $150,000,000, will largely be seeking investment in the securities of our governments, municipalities and sound industrial and public utility corporations.

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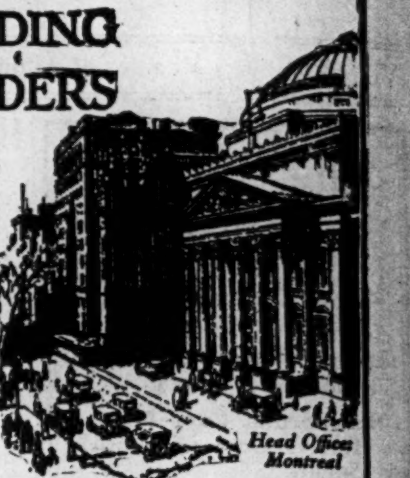

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ENVELOPES
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France's Little Tilt at U.S. Tariff Wall Proves Wrist-Slapping

Nations Too Friendly to Indulge in Real Antagonism — Canada's Interest is That of Spectator in Not Dissimilar Position

By M. M. WILNER.
Special to The Financial Post

WASHINGTON. — Any attack on the customs tariff of the United States naturally arouses the keen interest of other countries. To none is the subject of more concern than to Canada, since of all lands to which the United States exports Canada stands second only to the United Kingdom in annual value of goods purchased, and of lands from which the United States buys Canada usually stands first, topping in recent years even the imports from Great Britain. Moreover, Canada has some justification for feeling that at times the tariff of the United States affecting her is not determined with all the consideration due to a best customer. The wheat duty, for example, is a palpable effort to delude the political discontent of the Western farmers rather than a levy fixed by careful study of economic laws.

Tariff Less Important Issue

Hitherto the tariff question in the United States has been very much of a domestic matter. It is a subject of party strife, though in decreasing intensity, since the Democrats usually have not found in their low-tariff ideas a winning issue. The other elements of political opposition, represented by the progressives of the West, are more given to complaining that the protective duties on products from their section are too low than to supporting further reductions. It may be useful information to Canadians, in particular, that a conference of Western leaders to prepare a program for the Congress session included in its grievances a statement that higher protection is needed on flaxseed, milk and cream, peanuts, soya beans, cottonseed, onions, eggs, and egg products, cherries, fresh and canned tomatoes and corn. No outsider should count on any movement from within this country to modify greatly the existing protective policy.

French Experience New One

It is a new experience for the United States, however, to encounter an attempt to break down its tariff system by the act of another government. That is, in substance, the novelty which the French government originated when, following the conclusion of a new trade treaty with Germany, France established duties on certain imports from the United States which, in effect, would compel Americans to pay about four times the rates charged to their German competitors. On the surface that looked like a move to shut American goods out of France. Alarmed statisticians noted that the United States sells the French some $276,000,000 worth of goods each year, and the hasty ones were ready, for a moment, to vision the loss of that entire market. A little closer examination, however, put a different face on the situation. It was found that the new rates would affect only a small list of exports, amounting in value to about $10,000,000. France was actually slamming the door in the face of her old trans-Atlantic friend, after all. The new policy obviously was an experiment on a very small scale—too small to result in very much harm, whatever the outcome. In fact, it had to be discussed more in terms of abstract principles than in dollars and francs. Besides, the intimation followed immediately the announcement of the new rates that, if the United States could see its way to make some concessions on French goods, perhaps everything might turn out happily for everybody.

Fight Europe's Test Case

Moreover, France did not omit to step out a pace ahead of the line and invite other countries which groan over the high protective duties of the United States to look at her. As one diplomat who had to be quoted anonymously put it, France for centuries had been fighting Europe's test cases in international relations and this assault on the American tariff was only the latest instance of her historic policies. Perhaps the rest of Europe smiled a bit. Unless its attitude was hidden by diplomatic secrecy, it was not very much interested. Hints that France purposed to negotiate treaties with other European countries on terms similar to the German compact may have had some influence. Anyhow, if France wished to champion the world in a tariff squabble with the United States, there was no reason for the world to object.

So far as the United States is concerned, the concessions which the French appeared to expect were virtually impossible. There is a slight degree of flexibility in its tariff law, but in general no substantial change in duty can be made except by Congress. Probably the surest way that a President could get a hostile vote from Congress would be to recommend a reduction of duties on the ground that some other country had tried to force such action. There is a clause in the United States tariff law, however, authorizing the executive to impose additional duties on goods from countries which discriminate in their tariffs against trade from the United States. Those retaliatory rates may go to high figures—high enough to shut out completely the imports against which they might be imposed.

Invoke Clause Against Canada.

It is the existence of that clause which, perhaps, gives Canada her chief interest in the controversy, since Canada grants preferential duties to Great Britain and may wish to extend them to all British dominions. It would not follow, of course, that the government or citizens of the United States would be inclined to look upon such Canadian preferences in the same light that they regard the direct discrimination against the United States by France. On the contrary, it may be said confidently that there is no public opinion at this time south of the international border which would entertain such an idea. Nevertheless, the fact that French initiative has recalled the existence of a well-nigh forgotten retaliatory clause in the United States tariff gives the incident an interest to other countries which it might not otherwise have.

As a matter of fact, the United States and France have shown more of the spirit of Alphonse and Gaston than of antagonists striving to cut each other's tariffs. Too many other elements, such as the value of the American tourist trade to France and questions of loans and interest, enter into the matter to permit France to attempt anything more than a gentle slap on Uncle Sam's wrist, and the United States for its part prides itself on not being a temperamental country. The world in general is not likely to profit by the effort of France to find out whether the United States is not "at the end of her period of high protective tariffs," but neither is the world likely to be called upon to send out ambulances for wounded silk goods and shell-shocked electrical equipment left on the field of a Franco-American tariff war. Protection is one thing; retaliation is something else. Before people can feel in a mood to retaliate they must get a bit mad, and if there is one sentiment more nearly universal than any other among the people of the United States it is that they never get mad again at anybody, least of all at such countries as Canada, Great Britain and France, which they look upon as their best friends.

B. C. BELIEVES TREATY HELPS EMPIRE TRADE

Australia is Not Likely to Wish Early Cancellation of Agreement

From Our Own Correspondent.

VANCOUVER.— British Columbia, which of all the provinces would stand to lose most by failure of Australia and Canada to continue their reciprocal trade arrangement of 1925, is of the opinion that as yet there has been no real effort made by either country to adjust trade.

Not one but many business men in this province interviewed by The Financial Post's correspondent condemned the haphazard way the two governments have allowed the trade relations between the two countries to drag along after a good start had been made in the direction of trade within the Empire.

Australia, they contend, should have at least three trade commissioners in Canada, one in Vancouver, one in the Mid-West, and one in Toronto or Montreal.

Just how effective a trade commissioner from Australia can be was demonstrated by Special Commissioner Haynes, who was loaned to the Australian government by the Australian Dried Fruits' Association to visit Canada and "drum up" trade.

Mr. Haynes visited Canada, got in touch with the trade, was received with a welcome that astounded him, and had to stop taking orders for raisins and currants for fear that he would be oversold. The Canadian trade will handle those Australian raisins and currants this winter, displacing an equivalent quantity from the United States.

It is regarded in British Columbia as a most convincing refutation of the complaint forthcoming occasionally from politicians in Australia that Canada is unsympathetic to Australian goods.

Hugh Dalton, secretary of the Canadian Manufacturers' Association in British Columbia, who is conversant with all aspects of Australian-Canadian trade relations, holds that if Australia made a determined effort to market other commodities, such as her wines, hardwood, mutton, wool, and certain farm products affected by opposite-seasonal marketing conditions, there would be no further question of Australia's interest in maintaining the agreement.

"We buy Australian wool from Boston or Bradford," he said. "They have made no effort to ship it direct. Australian goods must be marketed in Canada just as United States goods are marketed. We know the experience of Mr. Haynes with currants and raisins. It may fairly be said that other products, sold on quality and price as Mr. Haynes sold dried fruits, will find as ready a reception by Canada."

Mr. Dalton took issue with a report that Australia is on the point of calling off the treaty, allegedly because she had not made any appreciable progress in selling Canadians more butter, raisins or meat.

Premier Bruce's budget speech, he said, gave no indication of a wish to discontinue the treaty, and Mr. Haynes' report, which will have just now reached Australia, should dispel the belief there that Canadians are hostile, or even indifferent, to commerce with the Commonwealth.

Recently when the Hon. J. A. Robb was in Alberta, creamery interests there approached him to ask that the dumping duty against Australian butter be put in effect again this winter. They are reported to have been told by Mr. Robb that no such course would be adopted..

If that is a correct statement of the government's position — and British Columbia, although a heavy butter-producing province, hopes that it is—the altered situation may do much to appease a disgruntled element in Australia, since the dumping duty on butter has been the greatest single factor threatening amicable trade relations between the two Dominions. The higher tariff on automobiles by Australia is seen by some as a measure of retaliation on Australia's part.

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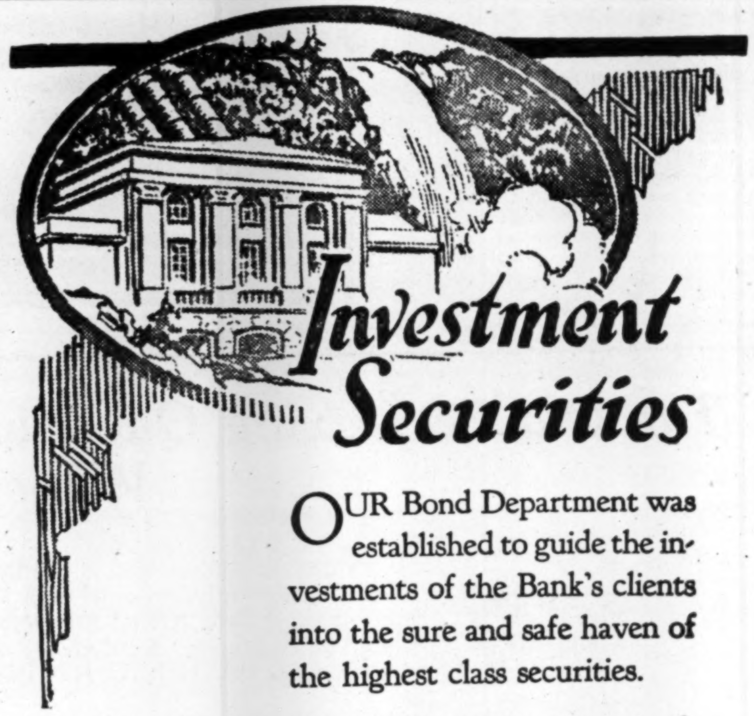

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TORONTO 2

CANNERS' PROFIT IN CURRENT YEAR WILL BE HIGHER

Carry-Over Offsets Fact That Pack of Season is Unusually Light

Business of Canadian Canners, is running well ahead of last year, and the generally favorable economic situation in Canada, indicates a continuation of extended business for the company during the coming year. The preferred stock has been holding well around 101-102, but has given no recent evidence of the constructive developments that are understood to be contemplated for 1928. The company's pack was light this year, but offsetting this situation was a very heavy carry-over from 1926, which is now being steadily liquidated at favorable prices.

Earnings, it is understood on the best authority, will run substantially ahead of last year, and this condition has stimulated gossip on the street concerning the possibility of action directed toward clearing up the arrears of dividend on preferred, which now aggregate in the neighborhood of 25 per cent.

Several plans for adjusting these arrears have been considered, and it is understood that some fairly definite plan of campaign has been agreed upon. When it will be launched is a point about which there is much uncertainty. In unofficial quarters it is predicted that the shareholders will receive compensation for their arrears some time in 1928, but predictions as to the exact date are rather vague. In the meantime shareholders are retaining their stock in anticipation of much higher prices when the plan is formally announced.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Oct 19	122.7	117.3
Week of Oct. 12	121.6	115.7
Month of Oct., 1926	92.7	87.5
9 Bank Stocks		
Week of Oct. 19	$282	$274
Week of Oct. 12	286	281
Month of Oct., 1926	225	222
10 Public Utilities		
Week of Oct. 19	$109	$106
Week of Oct. 12	109	106
Month of Oct., 1926	89	83

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	1	8	..	9
Paper	10	2	3	15
Steel	14	6	17	37
Foodstuffs	23	7	15	45
Utilities	15	10	7	32
Tractions	5	4	6	15
Textiles	5	2	10	17
Industrials	25	19	28	72
Total	98	58	86	242

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KING EDDIE WILL SHOW INCREASED PROFIT FOR YEAR

Red Ink Will Appear for Only One Month, December

King Edward Hotel, Toronto, will make a profit every month in 1927, with the exception of December, when nearly every hotel expects to get into the red ink figures. The common stock, which is listed on the Toronto Stock Exchange, has risen to the upper fifties on the basis of reports of much improved earnings. The company has paid $1 dividend this year. So a second dividend, perhaps of larger amount, is expected.

In view of the earnings of the company, the prevailing prices for debentures of the company, bearing 8 per cent. appear somewhat low. These debentures, in two series, are not listed but are active among traders in unlisted securities. The "A" debentures are changing hands at 80 and 85 and the "B" debentures a few points lower.

Yield Is High

One Toronto dealer has been able to sell the "A" debentures to clients in the country at $85, although the expense of keeping salesmen on the road is heavy. At $85 the yield is 9.41 per cent.

The series "A" debentures are a charge on the entire assets of the hotel company, ranking after a first mortgage of $2,300,000, held by Metropolitan Insurance Co., and $1,150,000 of series "A" and "B" bonds.

There are 2,500,000 of the series "A" debentures outstanding. The fixed assets of the company, subtracting depreciation reserves, are carried in the balance sheet at $5,712,000. The series "A" debentures are guaranteed as to principal and interest by United Hotels Co. of America, the holding and managing company.

What Of Future?

The next two or three years, it may be safely assumed, will be highly prosperous for the hotel if the management continues satisfactory.

Just what will happen to the King Edward Hotel following the opening of other first-class hotels in Toronto is anybody's guess. If the experience of the Windsor in Montreal is a criterion, the hotel will continue to prosper. It is possible, however, that the profits would be reasonably large even if the hotel had to assume a secondary place in the community it now serves.

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The Partners Personally Advise as to Investments.

Merger Places Sheet Metal Business on Better Basis

Merger of Sheet Metal Products, McClary Mfg. Co. and Thomas Davidson Mfg. Co., as General Steel Wares, marks the passing of three important companies from the realm of family institutions and the creation of an organization that is impressive in size and possibilities of economy of manufacture and marketing.

Public investment interest in the company will be confined to bonds and preferred stock. The common stock is held by insiders. It is understood that Sir Edward Kemp, head of Sheet Metal Products, will retire from active business.

A feature of the prospectus that is causing some comment is the creation of a committee of three persons who will control the company for five years. One member of this committee is to be named by the management, one by the bankers and the third selected by these two. The committee will have the right to elect, and remove, directors in the course of five years.

It is estimated that the company "after giving effect to some of the immediate savings which in the opinion of the management, will result from the consolidation," will earn about $700,000 annually. This is after bond interest but before depreciation. Preferred dividends will require $315,000 annually.

STORAGE HOUSE ADDS TO OUTPUT CARLING PLANT

American Exchanges to Trade in Stock — Profits Are Large

Alterations and additions to the plant of Carling Brewery Co., at London, are nearing completion and will likely be brought into use by the middle of next month.

The principal improvement has been the construction of a large storage house for the maturing of old stock ale. As a result, the plant will be able to handle an additional 10,000 barrels a month, or 120,000 barrels a year, which, in the ordinary course of events, will naturally stimulate earnings to a marked extent.

Earnings Are Good

While no statement has been made public on earnings of the company since the new management was installed, it is known that they have been much in excess of earlier expectations. There has been some "street" gossip to the effect that while profits have been large, yet the company is in a position where it may have to meet a charge of $420,000, which the Government claims is due on account of sales and gallonage tax.

This has been categorically denied by the management, it being pointed out that the deed of sale protects the new company from such charge. The old company, the Carling Export Brewing and Malting Co., is responsible for the payment of these back taxes, if the claim is proven. As a measure of protection, those associated with the old concern have lodged with the present company a block of Victory bonds sufficient to cover any levy asked by the Government.

Output of Ale Up

For some time past, Carling's has been operating on a 50-50 basis—half ale and half beer. With the new additions and improvements, the company is stepping up production of ale and shortly will be on a production basis of 60 per cent. ale and 40 per cent. beer. Its brands have been well favored, both in Ontario and Quebec. Demand for ale has been increasing so rapidly that the company has decided to put out an old stock ale under the title of Old Munich. This is manufactured in the German style, and will not be available for the market at present, as it takes several months for the ale to properly mature.

Despite the fact that earnings have been excellent and a quarterly dividend of 50 cents paid on the common, the market has not reflected the value of Carling stock. This is due in some measure to the unpopularity of brewing stocks on the Toronto exchange and also to the misunderstanding in regard to the Government's proposed action of sales and gallonage tax. Steps are now being taken to have the stock put on the New York Curb and the Detroit Exchange. The necessary papers and information have been submitted to those two organizations and it is fully anticipated that the stock will be called for trading within a very short time.

Stock Now Ready

Meantime, a letter has been sent out by the trustees announcing that on the surrender of interim receipts, bearer warrants and stock certificates will be issued. The exchange will be made at the beginning of next week.

Canadians Elected to U.S. Co.'s Executive

From Our Own Correspondent.

MONTREAL.—Three prominent Canadians were elected to the executive of Asphalto-Concrete Corp. at a meeting of the directors recently held in New York. They were, R. W. Mitchell, D. H. McDougall and J. D. McSweeney. The American company has secured the right to processes used by the Consolidated Pipe Company of Montreal, in the manufacture of concrete sewer and water pipes, by centrifugal process under the Moir Buchanan and Bille Ligonnet patents.

R. W. Mitchell is a prominent consulting engineer of this city and has been closely identified with the manufacture of concrete pipe under the new process, both in Canada and the United States.

J. L. McSweeney is president of the Equitable Securities Corporation and a director of the Consolidated Pipe Co. and the Consolidated Sand Co., of Montreal. The Equitable Securities Corp. handle part of the financing of the Asphalto-Concrete Corp. D. H. McDougall is well known as former president of the Nova Scotia Steel and Coal Co. and vice-president and managing director of the British Empire Steel Corporation.

Bank of Commerce Dividend

The directors of the Canadian Bank of Commerce at a meeting held October 14, declared a dividend on the capital stock of the bank of 3 per cent. for the quarter ending November 30, 1927, together with a bonus of 1 per cent., payable December 1, to shareholders of record of November 15. The transfer books will be closed from November 16 to 30, both days inclusive.

MOIRS INCREASE PLANT CAPACITY BY 60 PER CENT.

Expansion Program Indicates Further Financing in Near Future

By Staff Editor

HALIFAX, N.S.—Moirs, Ltd., have just completed an addition to their plant which will increase its capacity from 50 to 60 per cent. The latest air-conditioning equipment has been installed, which will tend both to better the quality of the company's products and at the same time make for a steadier scale of operations. Satisfactory air conditions in a plant of this nature are of vital importance in candy-making. It is impossible to forecast what the company's earnings for the whole year will be, as in the last three months of the year, the company naturally does its largest business, while meeting the demands of the Christmas and holiday trade. The factory at the present time is working at capacity to fill these orders.

Earnings to date this year are running at around last year's levels, when profits, before depreciation, were about four times bond interest requirements. Raw materials have increased in price this year, which naturally does not help the company. It is anticipated that the machinery will be completely installed in the new plant within a few weeks. The company's programme of expansion would indicate that there is a possibility of some further financing to be done in the near future.

The company's funded debt at present consists of $1,000,000 6½ per cent. first mortgage sinking fund bonds. These are twenty year bonds, due January 1, 1946. They are secured by first mortgage on the company's property, specific as to real estate, plant, etc., and a floating charge on all other assets.

INTERNATIONAL PAPER STOCK FOR EMPLOYEES

Preferred is Offered Workers at Par with Bonus for Holding

MONTREAL.—In line with many of the leading companies of the United States and Canada,, the International Paper Co., has just made an offer of its stock to its employees. The company offers to those actually in its employ or in the employ of its wholly owned subsidiaries, the opportunity of purchasing shares of its cumulative 7 per cent. preferred stock. The number of shares which each employee may apply for will be determined on a basis of his salary.

The subscription price will be $100 per share. The offer limits each employee to three shares if his salary is $30 a week or less, four shares if it is $40 a week or less, but more than $30, and five shares if it is $50 a week or less, and more than $40 a week. The same ratio applies to the officers of the company on the basis of the salaries they are earning. Employees are given the option of paying for the stock in full or upon a monthly instalment plan, deductions being made from the employee's salary.

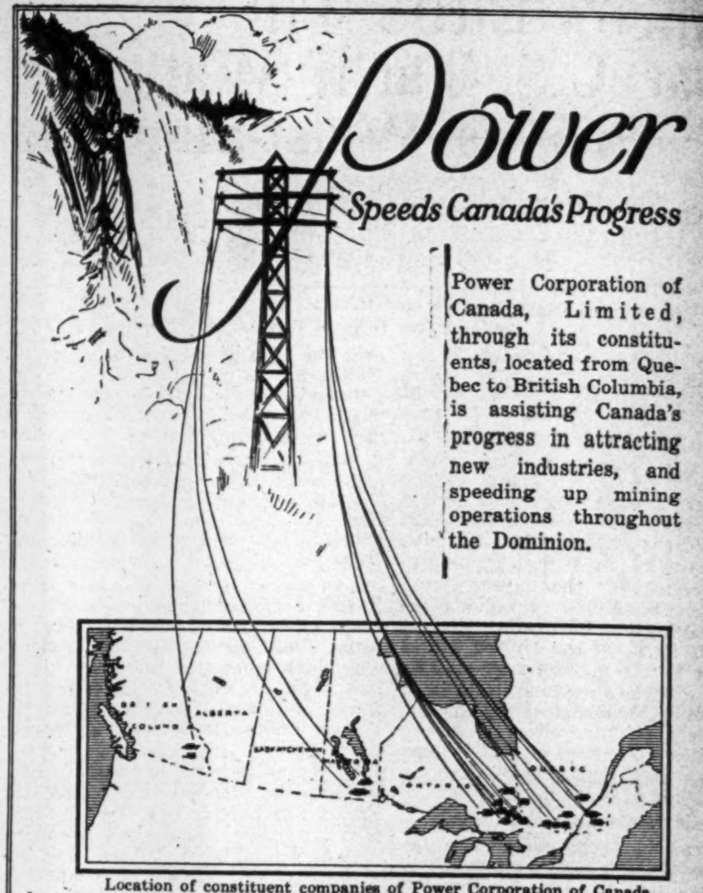
To Induce Holding

As an incentive to the subscribers of the stock to complete their agreement, retain the stock itself, and remain in the service of the company, International Paper Company agrees to pay each subscriber on January 1st of each year for five years, commencing with January 1, 1929, for each share of stock purchased, a bonus of $1.00 a share which will be increased to $2 in 1930, $3 in 1931, $4 in 1932, and $5 in 1933. This bonus, however, shall only apply if the subscriber remains in the employ of the company and shall have paid all instalments due on his stock allotments. It is also provided that in order to enjoy the bonus the subscriber must retain possession of the stock. The company also announces that a special bonus shall be paid to company subscribers who remain continuously in the employ of the company for five years from the date of the original subscription. This bonus is to be paid as soon as practicable after January 1, 1933. Subscriptions may be cancelled at the request of the subscriber, by the subscriber voluntarily leaving or being discharged from the company's employ, or failing to resume employment when requested, or by falling in arrears upon payments due for the stock. The privilege of subscribing under the offer terminates on December 1, 1927.

As the offer is made to the employees of the International Paper Company, and its subsidiaries the employees of the following companies located in Canada will benefit thereby: Canadian International Paper Company, Southern International Paper Company, Miramichi Lumber Company, Dalhousie Lumber Company, Gatineau Power Company, Saint John River Power Company, Hull Electric Company, Ottawa-Montreal Power Company, Maniwaki Power and Telephone Company, Papineauville Electric Company, Quebec Southern Power Corporation, Laurentian Hydro-Electric, Napierville Electric Company, and International Fibre Board Company.

CALGARY OIL STOCKS

Calgary oil stocks closed on Wednesday, as recorded by E. A. Pierce & Co., Toronto: Spooner 77, Dalhousie 125, Ills, Alta. 26, Royalite $30, United 77½, Advance 26, Turner 25, Vulcan 195, Mill City 17-18, McDougal Segur 110, Moose Mountain 20a, Rose 110a, Okalta pfd. 40.



Power Corporation of Canada, Limited, through its constituents, located from Quebec to British Columbia, is assisting Canada's progress in attracting new industries, and speeding up mining operations throughout the Dominion.
Location of constituent companies of Power Corporation of Canada, Limited
We invite your inquiries for Investment Service.
Nesbitt Thomson and Company Limited
Royal Bank Building, Toronto 2
Montreal Ottawa Quebec Hamilton London, Ont.
Winnipeg Saskatoon Vancouver
613B

Our October Bond List
This list is now ready. It contains a widely diversified range of securities, including Government, Municipal and Corporation, many of which are described in detail. Copy will be gladly furnished upon request.
36 King Street West,
Toronto
Telephone: Elgin 4321
Wood, Gundy & Co. Limited

The Old Perplexing Question— What to Give?

YOU'LL want to remember that good customer, those valued business friends. Will it be duplicating the old order or do you want a fresh suggestion?
How about a **HI-GEN-IC SHAVING BRUSH** — the best made, or a sturdy, right-sized, real man's **HI-GEN-IC HAND AND BATH BRUSH?** Packed in a good-looking gift box.
The price? Almost any price you wish to pay.
Every time he gets this good shave or uses the Hand Brush, he cannot help but think of the donor, and perhaps these psychological moments will just precede a business appointment with you.
Consider this suggestion, it is a more practical, less temporary gift. Each in a specially attractive gift box.
Write us for full particulars.
HI-GEN-IC BRUSHES
The Boeckh Company, Ltd.
TORONTO - CANADA

STATE STANFORDS WILL PAY DIVIDEND ON NO PAR STOCK

Stock Reacts Favorably on News of Company's Progress

It is stated on good authority that an interim dividend of $1 will be paid on the common stock of Stanford's, Ltd., by the end of this year.

Early last spring, Stanford's acquired the business of a former company of the same name which operates a high class business in Montreal, as purveyors of foodstuffs and provisions. The company had four stores in operation. Since then, an additional store has been added on the main thoroughfare of the city and it is further proposed to add to the chain by the establishment of another unit in Westmount. A site has been selected at the corner of Sherbrooke and Vendome Streets.

While no announcement has been made as to earnings this year, it is understood that net profits are roughly 15 per cent. in excess of those for the past year. For the three and a half years ending February, 1927, net earnings averaged $111,283 annually after provision for depreciation and income taxes. This is equivalent to $22.25 per share on the 5,000 cumulative preferred shares outstanding. For the six months ending on the same date, they were at the annual rate of $22.39 per share of first preferred stock.

The stock has reacted favorably to recent news, selling around 26 a share. The common was given as a bonus to the preferred, being valued at $20 a share.

Unlisted Stocks

These prices are mostly as at October 17, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	4.00	7.00
A. W. Chase, pref.	60.00	....
Border Cities Pref. Bonus	$ 32.00	$ 39.00
Bowles Lunch	110.00	....
Brandram Henderson, Com.	19.00	23.00
Brandram Henderson Pref.	77.00	82.00
Brantford Roofing	97.00	....
Brooks Steam Motor Units	2.75	3.25
Canada Machinery Com.	10.25	12.00
Canada Machinery Pref.	27.00	32.00
Canadian Celanese	80.00	82.00
Can. Paperboard Pref.	90.00	....
Canadian Westinghouse	190.00	....
Caulfields Dairy Com.	....	20.00
Caulfields Dairy Pref.	87.00	95.00
Copeland Flour Mills Pref.	19.50	....
Dom. Alloy Pref. Bonus Com.	1.50	2.50
Dom. Foundries & Steel Com.	2.00	4.00
Dom. Foundries & Steel Pref.	21.00	27.00
Dom. Linens Pref.	17.00	23.00
Dom. Manufacturers Com.	6.00	....
Dom. Manufacturers Pref.	67.00	....
Dom. Power Com.	30.00	33.00
Dom. Power Pref.	101.00	103.00
Dom. Sewer Pipe Com.	60.00	62.00
Dom. Sugar Com.	20.00	25.00
Dom. Sugar Pref.	93.00	99.00
Dunlop Tire Pref.	96.00	96.00
Durant of Canada	2.25	3.50
Farmers Dairy Com.	125.00	....
Farmers Dairy Pref.	102.00	105.00
Gillett, E. W.	65.00	....
Goodyear Cotton 7% Pref.	99.00	102.00
Gotfredson Truck Com.	16.20	20.00
Greening Wire Pref.	97.00	101.00
Guardian Realty Pref.	60.00	65.00
Hamilton United Pref.	69.00	....
Huethers Brewing Pref.	3.00	6.00
King Edward Hotel "A"	80.00	85.00
King Edward Hotel "B"	75.00	77.00
Kingston Ship-Building Pref.	17.50	....
Loew's Buffalo Pref.	32.00	37.00
Loew's London Com.	5.50	6.50
Loew's London Pref.	8.00	8.50
Loew's Mansfield Pref.	70.00	....
Milton Brick Co.	17.25	20.00
National Grocers 1st Pref. Ex. Div.	97.00	100.00
National Steel Car Com.	29.00	30.00
Nova Scotia Tramways	2.00	....
Nova Scotia Tramways, Pref.	20.00	....
Palace Thea. (Montreal) Pref.	51.00	....
Pure Food Com.	25.50	28.50
Simpson, Robt., Pref.	102.00	104.00
Toronto Baseball Club	....	90.00
Toronto Carpet Pref.	96.00	....
Willards Choc. Pref.	50.00	66.00

Insurance

	Bid	Asked
British America	42	..
Canadian Fire, Full Pd.	110	120
Canada Life	1050	1100
Canada National	16	20
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	21	25
Confederation Life, 10% Pd.	72	..
Continental Life, 20% Pd.	60	65
Crown Life, Full Pd.	260	..
Dom. of Can. Guar. & Ac.	310	..
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	105	.
Federal Fire, 25% Pd.	35	..
Fidelity of Canada, Full Pd.	120	140
Great West Life, Full Pd.	490	525
Imperial Life, 85% pd.	400	..
Manufacturers Life, 45% Pd.	450	500
Monarch Life, 10% Pd.	41	45
Montreal Life, 20% Pd.	56	62
National Life, 25% Pd.	70	75
Ontario Equitable, 10% Pd.	34	37
Security Life, 45% Pd.	10	20
Sovereign Life, 25% pd.	58	65
Sun Life, 75% Paid	1750	1850
Toronto Casualty	27	30
Western Assurance	45	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$100.00	$ ....
British Mortgage & Trust	202.00	....
Capital Trust	55.00	65.00
Chartered Trust	81.00	86.00
Commercial Finance Com.	24.00	28.00
Commercial Finance Pref.	78.00	83.00
Debentures & Sec. Com.	65.00	....
Debentures & Sec. Pref.	65.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	46.00	50.00
Mfg. Finance Pfd. Bonus Com.	6.75	7.75
Midland Loan & Savings	15.00	....
Mortgage Discount Pref.	6.50	7.50
Mortgage Discount Com.	.40	.60
Mutual Finance Com.	7.00	8.50
Mutual Finance Pref.	7.00	8.50
Peoples Loan & Savings	76.00	....
Sherbrooke Trust Co.	110.00	....
Saskatchewan Mortgage	30.00	....
Sterling Trust	87.00	....
Toronto Finance	3.50	4.50
Waterloo Trust & Savings	100.00	....

Club Shares

	Bid	Asked
Bayview Golf	$ 20.00	$ 40.00
Lakeview Golf	....	70.00
Lake Shore Golf	....	35.00
Lambton Golf	390.00	425.00
Mississauga Golf	15.00	35.00
Rosedale Golf	120.00	150.00
Summit Golf	20.00	35.00
Thistledown Golf	45.00	60.00
Thornhill Golf	....	85.00
Toronto Winter Club	....	45.00
Weston Golf	75.00	95.00
York Downs Golf	265.00	295.00

Recent London Quotations

	Sales
Calgary Power	52
Hudson's Bay	93s. 1½d.
Hudson's Bay 5% Pref.	97s. 6d.
Can. West Lumber	4s. 1d.
Standard Chemical 7%	21
Dominion Tar	38s. 9d.
Mond Nickel	52s. 6d.
Lake Superior	3

Recent Vancouver Quotations

	Sales
B. C. Telephone Pfd., new	105
Pacific Coyle, com.	14a.
Gosse Packing, com.	52a.
Do., Pref.	93a.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	99	..
Home Inv. and S. Assn.	70	..
N. Mtge., fully paid	75	..
N. Mtge., 50% paid	36	..
Northern Trusts Co.	39	..
Standard Trusts Co.	..	33
N. Star Oil Co., pref.	5.10	..
N. Star Oil, com.	1.90	..

Stock Market Record

WEEK ENDING OCTOBER 18

	Div. Rate	Yield Oct. 17	High for wk.	Low for wk.	Close Oct. 18	Close Oct. 11	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	4.90	272	264	264	271	146	295	228
Dominion	12+1	5.05	260	250	250	260	57	275	217
Can. Nationale	10	5.26	193	190	190	197	60	198	160½
Imperial	12+1	5.21	249	241	244	248½	173	256	214
Montreal	12+2	4.17	344	335	335	345	271	355½	272
Nova Scotia	16	4.27	375	370	370	380	92	399	298
Royal	12+2	4.31	325	320	322	323	518	344	257
Standard	12	4.89	249	240	240	249¾	133	250	196
Toronto	12+1	4.72	276	273	276	275	238	287	227
Paper—									
Abitibi, com. (no par)	5	3.76	137½	131½	133½	137	6928	140½	82
Do. pref.	7	5.64	124	123	124	125	10	125	113
Belgo-Can., pref.	7	6.69	104½	103	104	104	217	105¼	101
Brompton (no par)	$2	4.23	47¼	43¾	47½	45	6697	49	31
Fraser, pref.	7	6.69	104½	104¼	104½	104¼	198	104½	96
Inter. Paper, c. (no par)	$2.40	3.65	66¾	60	64¾	59¾	151300	66¾	39½
Do. pref.	7	...	..	...	...	...	...	...	...
Laurentide	6	5.66	106½	102½	104	102	7610	110¾	90
Price Bros., com.	2	2.77	72	65	68⅞	65	3086	75½	51¼
Do. pref.	6½	6.25	104¾	104	104	104	242	104¾	100
Smith, Howard, com.	.	...	72	69	71	69	257	75	59
Do. pref.	8	6.97	115	114⅜	114¾	114	213	116	103½
Span. River, com.	7	5.51	129½	114	125¼	113	33585	129½	97⅛
Do. pref.	7	4.96	145	132	134½	126	3839	145	110¼
Wayagamack (no par)	$3	3.09	97	81	92½	80	10429	97	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	..	...	...	...	...	1⅜	½
Do. 1st pref.	.	...	..	...	...	...	...	29¼	10
Do. 2nd pref.	.	...	1¼	1¼	1¼	1¼	100	4	1
Can. Car & Found., com.	.	...	43	42	43	42	475	50¼	35
Do. pref.	7	7.77	90	90	90	89½	618	94½	85½
Can. Fairbanks, pref.	6+3x	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	1½x	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	60	49
Do. pref. (par $50)	7	5.90	59¾	59	59½	59½	257	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	...	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	9.85	..	...	...	...	...	89	71
Dominion Bridge	4+4	2.78	289	280⅞	288	279	5573	289	116¾
Dominion Coal	.	...	75	74	74	75	25	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	32½	32¼	32½	33½	135	33½	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	6	5	5	6	45	15	5
Do. pref.	7	9.21	78	75	75	77	90	95	65
Massey-Harris, c. (no par)	.	...	38½	36	37½	36	11957	42¾	29
Do. pref.	7	6.46	108½	108	108½	108¼	512	109¾	103½
McKin. Ind., c. (no par)	.	...	24¾	24	24¾	24	115	25½	15
Do. pref.	7	7.21	97¼	96¾	97¼	96½	135	97¼	93¼
Do. Vot. Trust	.	...	25	23⅞	25	23¼	1490	26¾	15
Ontario Steel, com.	6	5.35	..	...	...	...	...	112	73
Do. pref.	7	6.25	115	112	112	105	25	115	100
Page Hersey, c. (no par)	$3	3.61	84	79	83¾	80	4453	90	55½
Do. pref.	7	4.23	166	158	166	160	935	180	116
Pressed Metals, com.	3	5.35	59	56	56	58	115	64	34¼
Do. pref.	7	7.21	..	...	...	...	...	97	85
Russell Motor, com.	3	5.55	54	54	54	52	25	60	52
Do. pref.	7	7.25	96½	95	95	98	13	99	90⅛
Steel of Canada, com.	7	3.96	176½	162½	175½	164	2488	222	117
Do. pref.	7	4.11	170	160	170	160	1697	205	127
Milling and Foodstuffs—									
Alta Pac. Gr., c. (no par)	.	...	46½	43	43	46	2626	54½	19½
Do. pref.	7	7.36	95	93½	95	95	246	97	85
Arnolds, c. (no par)	.	...	17¼	15¼	16⅝	15½	2401	26	10½
Do. pref.	.	...	..	...	...	...	...	95	81
Atlantic Sug., c. (no par)	.	...	26⅜	24¾	25¼	24½	125	32	21¾
Do. pref.	.	...	..	...	...	...	...	101¼	89½
B.C. Fishing, c. (no par)	$1.25	8.33	16	13⅞	15½	14	1357	22	12¼
Do. pref.	7	9.33	75	74½	75	75	100	90	72⅝
Can. Bak., c. (no par)	.	...	38½	38	38	36½	155	42⅛	26
Do. pref.	7	6.73	104	103⅜	104	103⅝	32	104	97
Can. Bread, c. (no par)	$6	3.52	170	158	170	160	260	172	90
Do. pref. (A)	7	5.83	..	...	...	...	...	125	108½
Do. pref. (B)	7	6.30	111	110	111	111	71	115	103
Can. Canners, com.	.	...	70	65	65	70	345	70	21
Do. pref.	5	4.83	104	102	102½	103½	1243	105	76
Canadian Salt	8	5.71	..	...	...	...	...	140	123
Christie Br., c. (no par)	$1.20	1.84	67¼	61⅛	67¼	61½	728	67¼	38
City Dairy, c. (par $25)	3+1	2.13	190	165	188	167	2838	190	79
Do. pref.	7	5.60	125	125	125	122	7	125	112
Cuban Can. Sugar, c.	.	...	3½	1½	3½	1½	1180	5	1¼
Do. pref.	.	...	30½	30	30½	28	136	37	26
Wm. Davies (A) (no par)	.	...	42½	42	42½	42½	95	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20	9
Dominion Stores (no par)	$2.40	2.55	95	92	93¼	95	1964	99¾	65
Ham. Dairies, c. (no par)	.	...	55	40	51	39	220	55	24
Do. pref.	7	7.21	98	97	97	98	73	99	95¼
Inter. Milling, pref.	7	6.45	108¾	108½	108⅝	108¾	53	108¾	104
Lake of Woods, c.	12	7.14	176½	156	167	156	2676	176½	130
Do. pref.	7	6.03	116	116	116	115	11	118	110
Loblaw, com. (no par)	$1	1.24	85	76	83½	77	745	85	48
Do. pref.	7	5.73	124	122	122	122	25	124	107
Maple Leaf Mill., c.	.	...	100¼	98	100	97	360	102	49
Do. pref.	7	7.01	100	99½	100	99¾	69	101¼	94
Ogilvie Fl, c. (no par)	$5+10	4.03	372	367½	370	370	425	372	205
Do. pref.	7	5.55	126	126	126	125	1	126	120¼
Pure Gold Mfg. (no par)	$1.50	7.14	21½	21½	21½	21	5	22	19⅛
Shred. Wheat, c. (no par)	$3	4.34	69	66½	68¾	68	615	71¼	55
St. Law. Flour, c.	.	...	29¾	26	29	27	385	31½	25
Do. pref.	7	8.80	..	...	...	...	...	85	79½
Viau Bisc., c. (no par)	.	...	..	...	...	...	...	26	16
Do. pref.	7	8.14	86	86	86	88	50	92½	83½
W. Can. Fl., c. (no par)	$1.40	4.66	30	29	30	30	360	30	22
Do. pref.	6½	6.25	104	103	103¼	103⅛	55	106	100
W. Groc., c. (no par)	$1	5.55	18	17½	17½	17	70	29	13
Do. pref.	7	9.21	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.29	151	149¾	150½	151	653	158½	137
Do. Rts.	.	...	9	8⅛	8⅞	8½	4394	10½	8
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.20	194	189	191	186	223	194	171½
East Koot. Pr. (no par)	.	...	25	25	25	25	3	29¼	25
Do. pref.	7	7.21	97	97	97	96¾	5	98½	95
Inter. Util. (A (no par)	$3.50	8.13	43½	40½	43¼	41	1290	46	28
Do. (B) (no par)	.	...	7½	6	7½	7	1320	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.86	104	102	104	105	28	105	97
Laurentide Power	5	3.54	141	134	134	140	35	144	105
Mackay, com.	7	5.90	118½	115	116	119	361	132½	108
Do. pref.	4	5.71	71	67½	70	69½	182	74	67
Mexican Light, c.	.	...	52	48	52	52	57	52	27
Do. pref.	3½	...	..	...	...	...	...	120	67
Do. 2nd pref.	.	...	2⅜	2⅜	2⅜	2¼	950	2½	2⅛
Mont. L H & P (no par)	$2	2.17	92⅝	91¼	92	91½	3099	96¾	68⅛
Montreal Teleg. (par $40)	8	6.23	51¼	51¼	51¼	51¼	10	52	49
Nor. Mexico Pr., c.	4	5.51	72½	72	72	73¼	40	83	42
Do. pref.	7	7.60	92	92	92	94	10	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	35	35	35	29	10	35	26
Do. pref.	7	7.10	98½	98½	98½	98	19	100	96
Ott. L. H. & Pr., c.	6	4.51	135	130	135	128	172	135	98½
Do. pref.	6½	6.31	104	101	104	104	27	107½	102
Quebec Power, c.	.	...	80	72½	78	72½	15272	80	72
Shawinigan (no par)	$2	2.27	88	85	86½	85	8977	94¾	67
Do. Rts.	.	...	3¼	2⅞	3⅛	3	42765	4	2⅞
S. Can. Pr., c. (no par)	$3	2.30	130	127	127	137½	165	140	85
Do. pref.	6	5.40	112	110	110	113	27	113	99½
Transportation—									
Can. Pacific Rly.	10	5.15	196	194	195	197	77	201	166
Can. Steam., c. (no par)	.	...	40½	37½	37½	39½	3290	42	34
Do. pref.	6	6.21	96½	93¼	95	93	13124	96½	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	64½	64⅛	64½	67½	15	68⅛	33½
Brazilian, c.	6	2.88	209	201	204¾	205⅝	38334	210	102½
Do. pref.	6	3.44	174	170	174	170	240	174	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	2
Duluth-Superior	$2	8.70	23	23	23	24	25	30⅞	23
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42⅛
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.26	190	189	189	184½	10	200	169
Ottawa Traction	4	6.15	65	65	65	64	40	70	64
Porto Rico Rlys., c.	$3	...	..	...	...	...	...	70⅝	59
Do. pref.	7	7.08	..	...	...	...	...	100	90
Twin City, c.	4	8.00	51	49½	49¾	49½	840	66	48⅜
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.29	91	83⅛	86	90	1475	94¼	60¾
Do. pref.	7	6.48	109	107	108¾	108	229	109	100¾
Do. Rts.	.	...	9	7	8¼	...	1921	9	7
Textiles—									
Can. Conn. Cotton, pref.	4	7.54	55	52	55	52¼	210	55	36
Can. Converters	7	6.93	102	101	101	101	75	107½	92
Can. Cotton, com.	8	6.29	127	127	127	125	70	132	115
Do. pref.	6	5.85	102½	102½	102½	102½	80	102½	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	..	...	...	...	...	63½	59¾
Cosmos Imp., c. (no par)	.	...	30⅜	28½	29½	30	1529	31½	13
Do. pref.	7	6.79	103	100	102½	102½	31	103	91¼
Dom. Textile, c. (no par)	$5	3.81	132¼	129	130	129¼	2038	135⅞	105
Do. pref.	7	5.60	125	121½	124	121½	56	125	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, c.	6	5.21	..	...	...	...	...	117	110
Do. pref.	7	5.80	..	...	...	...	...	120½	114
Penmans, c. (no par)	$4	4.08	98	94	98	94	401	108	70
Do. pref.	6	5.76	..	...	...	...	...	105	101
Wabasso Cotton (no par)	6	4.70	127½	127	127½	131½	175	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.88	68	67¼	67½	68	217	75	60
Do. pref.	7	6.73	105	104	105	104	76	105	97½
Asbestos Co., c. (no par)	.	...	39¾	36¼	39¼	36	14836	39¾	20
Do. pref.	7	7.29	96	95	95⅞	94½	1113	102¼	82¾
Brant Cd., pf. (par $25)	8	9.52	21½	21	21	22¼	20	25	20¾
Brew. & Distil. (par $5)	5	6.25	16	15	15½	14½	865	16	4½
Building Products, pref.	7	6.98	..	...	...	...	...	101	93½
Burt, F. N., c. (par $25)	$3	4.51	67½	65	66¼	67	700	68	56½
Canada Cement, c.	6	2.42	247	244	246½	244	1719	247	124½
Do. pref.	7	5.66	123¼	122	122	123	12	124½	116
C. Ind. Alc. (no par)	$1.28	3.37	38	36	37¼	36½	9164	40	21¼
Do. Rts.	.	...	17	13	13	15	28076	30	12
Can. Oil, c. (no par)	$1	3.12	32	31	31¼	31¼	2560	33⅛	21
Do. pref.	8	6.75	119	118½	118½	118½	180	121	115½
Can. Bronze, c. (no par)	.	...	59	58	58	59	1140	59	43
Do. pref.	7	6.66	105½	105	105	106⅛	61	106⅛	98½
Cons. Smelt. (par $25)	10+5	.97	266	255	256½	257	10131	270	215
Crow's Nest Coal	6	10.90	..	...	...	...	...	71¼	50
Dom. Glass, c.	7	5.38	130	128½	129	128	752	134¾	104
Do. pref.	7	5.83	120	120	120	120	10	120	111¼
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	29	28	29	25	30	30	24
Do. pref.	7	7.36	..	...	...	...	...	97	92
Famous Players, com.	.	...	51½	42	51	41½	525	51½	20
Do. pref.	8	8.00	100	98½	100	99	416	101	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.03	116	113¼	116	113¼	30	125	110
Goodyear Tire, com.	$5	4.67	112	103	112	100	705	112	85¼
Do. pref.	7	6.73	104	102¾	103¾	103¼	260	109	94½
Hayes Wheel, c. (no par)	.	...	32	31	32	32½	305	34¾	27¾
Do. pref.	7	7.29	96	96	96	96	84	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	31½	29	29	29½	27	31½	20
Do. pref.	7	7.44	..	...	...	...	...	95	90
Inter. Nickel, c. (par $25)	$2	2.94	69½	66	68⅛	67	31823	75	38
King Edward Hotel	$1	...	57	52½	57	52	305	60	20
Lake Ont. Brew. (no par)	$2	9.09	22	22	22	25	20	31½	24
L. Secord, c. (no par)	.	...	44	42½	42½	42	125	47½	26
Do. pref.	7	5.30	132	128½	131	131½	42	140	102
Lyall Construction	.	...	..	...	...	...	...	46	32
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.93	101	101	101	101	12	105	96½
Muirhead's, c. (no par)	50c	4.34	11½	10¼	10¼	11½	50	13½	8⅞
Do. pref. (par $10)	75c	5.77	13¼	13	13¼	13½	203	13½	10⅞
Nat. Brew., c. (no par)	4	4.34	92½	88	90	88½	6858	95	65
Do. pref.	7	6.14	114	114	114	114	140	115	105
National Brick, com.	.	...	..	...	...	...	...	10	4
Do. pref.	7	12.06	60	56	58	59⅞	218	81	56
Pacific Burt, com.	6	6.78	103½	103	103½	103½	45	103½	87
Do. pref.	7	6.19	114	114	114	113	40	114	102
Port Hope San., com.	4	2.16	185	185	185	165	79	185	125
Do. pref.	7	6.30	..	...	...	...	...	111	90
Rogers, Wm., com.	.	...	70	70	70	70	14	80	64
Do. pref.	7	7.00	100	100	100	100	28	102	92
Seagram (no par)	.	...	21⅞	20½	21	20½	3565	28⅞	15
Sher-Williams, com.	6	3.24	189	185	185	190	170	207	142
Do. pref.	7	5.82	120¼	120¼	120¼	120	5	121	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	26½	20⅞	26¼	20½	1099	26½	19
Do. pref.	7	7.77	90	90	90	89	25	92	88½
Sterling Coal	.	...	22	22	22	22½	10	36	22
St. Maur. V., c. (no par)	.	...	60	56½	59	55½	1589	60	47
Do. pref.	7	7.07	99	99	99	99	185	99	94½
Tooke Bros., com.	.	...	..	...	...	...	...	16	5
Do. pref.	7	10.00	70	70	70	72	15	72½	65
Tuckett Tobacco, com.	4	4.21	95	95	95	95	6	95	69
Do. pref.	7	6.14	..	...	...	...	...	114¼	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.33	..	...	...	...	...	89	75
Zimmerknit, c. (no par)	.	...	28½	23¾	27½	23½	1826	28½	18
Do. pref.	7	7.77	91½	91	90	91	52	93	89½
Trust and Loan—									
Can. Landed (par $50)	10+1	4.74	116	116	116	116	32	118	94
Can. Permanent	12	5.33	227½	225	227½	230	40	235	216⅛
Colonial Invest. (par $10)	6	...	5⅛	5⅛	5⅛	5¼	2	7	5
Econ. Invest. (par $50)	4	3.39	..	...	...	...	...	59	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152⅛	139
Landed Banking	10	5.81	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.80	253	250	253	249	32	253	220
Toronto Mtge. (par $50)	10+1	5.00	..	...	...	...	...	110	100
Union Trust	7	6.16	..	...	...	...	...	113½	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.12	..	...	...	...	...	98⅜	98
Attendu Engine (par $1)	.	...	13½	12½	12½	14	415	35½	12
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅜	2
Beacon Oil	.	...	14	13	13	14½	300	20¾	13
Belding, com.	6	8.00	75	75	75	75	50	88	67
Do. pref.	7	7.21	..	...	...	...	...	100	96¾
Brading Brew. (no par)	$2	5.71	..	...	...	...	...	35½	20
Brit. Amer. Oil (no par)	80c	2.37	33¾	30⅛	33	30¾	31897	34½	20
Can. Brewing (no par)	.	...	31½	29	29½	30¼	20803	31½	22¼
Can. Celanese (no par)	.	...	78	69	69	79	175	85½	52¾
Do., pref.	.	...	92½	92½	92½	93	10	94	88
Can. Light & Power	.	...	45	44	44	44	113	55	20
Can. Malting (no par)	.	...	34	32	33	32	10950	34½	27¾
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	65	42
Do. pref.	7	7.07	100	99	99	98¾	90	100¼	97
Carling Brew. (no par)	$2	7.42	26	25½	26	26	635	34½	25
Cockshutt, pref.	4	4.93	83½	81	81	82	490	83½	67
Continental Oil	$1	5.26	..	...	...	...	...	22¼	16½
Cosgrave Brew. (par $10)	5	5.00	10	9¼	10	9¼	1535	12	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	7.27	..	...	...	...	...	55	50½
Com. Alcohol (no par)	$1	4.16	24	22	23½	23	1570	70	15
Do. pref.	8	7.76	..	...	...	...	...	110	103
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering (new)	.	...	50	48½	49	50	605	50½	48½
Dom. Power, pref.	7	6.86	102	101½	102	100	35	102	100
Dryden Power (no par)	.	...	23	17½	22¼	17¼	6366	23	9½
E. Dairies, c. (no par)	.	...	51	50	50½	49⅞	1728	51	20½
Do. pref.	7	7.07	99	99	99	98½	20	99	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	74	73	74	75	36	95	72½
Foothills Oil	.	...	2.75	2.70	2.70	2.70	2830	3.25	2.00
Good. & Worts (no par)	$1	1.73	58⅛	56	57¾	58½	8834	64	43¼
Chas. Gurd, com.	$2	5.26	39	38	38	38	260	43	28⅞
Do. pref.	7	7.21	97	97	97	96	20	97	93
Hiram Walker (no par)	$2	3.44	60	57	57⅞	58⅛	22721	60	28½
Illinois Power, pref.	7	7.00	..	...	...	...	...	101	98
Imperial Oil (no par)	$1.50	2.45	61½	59	59½	59	15563	64½	37¾
Imp. Tob., c. (par $5)	6	3.33	9⅛	8⅞	9	8⅞	5558	10	6¾
Inter. Petrol. (no par)	75c	2.34	34¼	30½	31¼	30½	2606	35¼	28
Inter. Power, com.	.	...	36	32	36	36	3613	36½	14½
Do. pref.	7	7.14	91½	90	91½	90	89	91½	85
Loew's London, com.	25+5c	...	..	...	...	...	...	5¾	4¼
Manitoba Power (no par)	.	...	87½	74	87½	74	887	87½	50
McColl, com. (no par)	80c	1.70	47¼	45½	47	47	1042	50	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Nat. Distilleries	.	...	24	21	21¼	...	4460	24	21
North. Bak. (no par)	.	...	43½	40	41	42	15460	44	25
N. Star Oil, c. (par $5)	.	...	2.00	2.00	2.00	1.50	125	2.55	1.15
Do. pref. (par $5)	7	...	5.00	4.95	5.00	4.90	1000	5.01	4.90
N.S. Car, c. (no par)	.	...	30	30	30	29	280	30	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.79	..	...	...	...	...	51½	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	100	100	100	99	25	100	95
Port Alfred, com.	.	...	67½	65	67	65	180	67½	55
Do. pref.	7	7.07	99½	99	99½	99	30	100	95
Power Corp., c. (no par)	.	...	71¾	61	68	60	39393	71¾	27¼
Do. pref.	6	6.06	99	98	98¾	98	202	99	94
St. Maur. Power	4	2.50	160	156	159⅞	156	45	170	96
Perfection Glass	.	...	..	...	...	...	...	8	6
Simpson, Robt., pref.	6	5.94	101	101	101	101¾	10	102	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	90	60	79	60	4077	90	35
Do. pref.	8	7.27	110	110	110	109	55	110	104
Standard Clay	.	...	..	...	...	...	...	40	38
Supertest Pet., c.	50+50c	2.62	39	38	38½	38	119	40	35
Do. pref.	7	7.36	95	95	95	96	5	97½	95
Toronto Brew. (no par)	.	...	10	10	10	10¼	100	18½	9½
United Secs., com.	.	...	65	65	65	63	205	70½	43½
Do. pref.	6	5.66	107	105	107	106	115	107	103¼
Volcanic Oil	$1.40	5.40	26¾	26⅝	26⅝	26	315	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

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Pulp & Paper

New Increase in Mill Stocks is Disturbing Feature in Newsprints

Figures as to Rolls on Hand Show That Production Rate is Not Only Index of Welfare of Industry

Strong interest in the newsprint stocks in the past month, has been due to the belief that the industry has successfully passed the possibility of a period of over-production and consequent relapse such as occurred in 1921.

If the statistics published by the Newsprint Service Bureau, an authoritative medium, are to be taken at their face value, conditions are far from being healthy and another period of uncertainty faces the Canadian newsprint industry.

Early in the year, it was the common belief that the industry was facing a setback. Production was mounting so rapidly that consumption could not keep pace.

Production Increases

Leaders in this field, however, had been closely watching the situation and the slowing up of production and formation of a central selling organization, enabled the industry to pass over a critical period.

Although the output per mill in Canada has declined, aggregate production has continued to increase and Canadian mills have produced 138,513 tons more in the first nine months of 1927 than in the corresponding period of 1926. But at the same time the ratio of production to capacity has been lowered. From January to September last year, the mills operated at 97.8 per cent. capacity. This year the ratio has been 85.0, while for September last it was 84.1.

Any comprehensive idea of the present position of the Canadian newsprint industry must be based in conjunction with conditions in the United States. Operations in the American mills have corresponded very closely with those in this country. There has been a decrease not only in the average tons per day, but also in the ratio of operating capacity, though not quite so pronounced as in Canada. Aggregate production for the nine months of 1927 totals 2.655,271 tons, as compared with 2,640,228 in the same period last year.

The prosperity of the Canadian newsprint industry depends upon demand from the United States. The ability of the American market to take the increased production of Canadian mills is the keystone to the situation.

U. S. Mills Slow Up

Since 1921, when the crash occurred, shipments to the United States have increased steadily; each year set a new record. During the first nine months of 1926, 1,376,868 tons were shipped across the line. This year, for the same period, exports have totaled 1,500.126. Shipments from American mills during the same period decreased, the assumption being that Canadian mills are taking an increasingly larger share of that country's newsprint requirements.

This is a favorable factor—one which works to the benefit of the Canadian industry. If the two items, production and shipments, only were taken into consideration in forming an opinion on the newsprint situation, then one could not see anything but a rosy future for Canadian mills.

It is significant, however, that production is so much ahead of consumption that both Canadian and American mills are piling up large stocks of newsprint in an alarming fashion.

Market Less in 1926

Taking shipments as representing actual demand, then the American and Canadian mills combined have marketed less newsprint in the nine months ended September last than in the corresponding period of 1926. Although the decrease is very small, it brings up the question of whether or not the saturation point has been reached.

It is not the purpose of this article to discuss the pros and cons of this, but to point out another development which has a more immediate bearing on the situation.

At the end of September mill stocks totaled 33,834 tons in Canada and 30,751 tons in the United States, making an aggregate of 64,135. This is the highest total ever reported by Canadian mills. It is more than double the figure recorded for the same period last year and is nearly twice the total in September of 1921, when the industry was at its ebb. The American total is roughly 60 per cent. greater than in September, 1926, and, curiously enough, practically the same as in 1921.

The combined figures portray the present situation in a more arresting manner. At the end of September this year, mill stocks amounted to 64,135 tons, as compared with 33,332 tons at the same time last year; 50,145 in 1925; 47,271 in 1921 and 32,738 in 1920. The figure for 1927 is the highest on record.

Mill Stocks Increase

In view of the increased production and shipments, it may be pointed out that this is a natural increase, but comparison of mill stocks with actual production is even more striking. Stocks on hand in Canada for September, 1926, for example, represented 9.1 per cent. of total output for that month, while for the same period this year the per centage was 18.7 per cent.

Mill stocks for both Canada and the United States at the end of September last amounted to 21.8 per cent. of total production, as compared with 11.2 per cent. in 1926.

It is evident from the figures that production of newsprint is once again reaching the point where surplus will seriously interfere with marketing of current output.

Newfoundland Meets Deficit By Further Heavy Borrowing

The finance minister of Newfoundland recently introduced into the house of assembly a loan bill for $5,000,000, to be underwritten by a Canadian bank and to be repaid in 1952. This is the seventh successive annual loan sanctioned by the Newfoundland government to cover budgetary deficits and provide funds for capital expenditures. The debt burden of this small country of 250,000 persons has reached the total of $77,000,000.

The distribution of the recent public loan was as follows:

Roads, bridges, marine works	$ 500,000
Highways	160,000
Railway capital expenditures	300,000
Deficit, curr. account, 1926-7.	1,750,000
Deficit, railway operation	760,000
Expense, Labrador boundary.	100,000
Survey, Labrador territory	200,000
Gander Railway	750,000
Special public works	150,000
Public buildings	130,000
Encouragement of fisheries	200,000
Total	$5,000,000

The minister of finance states that the proceeds of the loan, to a very large extent, already have been expended—especially the allotments for roads and bridges, highways, railway capital expenditure, railway expenses for the Labrador boundary, deficits on current account, and special public works.

Prospects are that Nova Scotia's export apple crop will probably exceed that of last year by 10 per cent., reaching a total of 700,000 barrels. The entire crop should show an equal gain, producing a total of 1,175,000 barrels.

Newsprint Production of Canadian Mills Shows Slight Decrease in Sept.

Production for First Nine Months of 1927 Amounts to 1,519,235 Tons, a Ten Per Cent. Increase

From Our Own Correspondent.

MONTREAL. — Newsprint production by Canadian paper mills for September amounting to 178,815 tons shows a slight falling off from August's production of 180,175 tons but a betterment over July's production of 162,564 tons.

The Canadian mills are now approaching their busy time as the autumn season is always accompanied by increased orders for newsprint to meet the demand of Christmas advertising, and there is no doubt but that October's production will be well ahead of both the September and August marks, and will see all the mills speeded up to within near approach of total capacity.

U. S. Mills Fall Behind

A comparison of the production of the Canadian mills and the United States mills, shows that while the Canadian mills produced some 1,300 tons less in September than in August, the United States mills fell over 12,300 tons behind. The United States mills produced 114,735 tons of newsprint in September, 127,129 in August, and 118,929 tons in July.

Shipments of Canadian newsprint for September closely approximated the total output of the mills, as 178,815 tons were produced and shipments amounted to 177,195. Production in the United States was 114,735 tons and shipments 114,325 tons, making a total newsprint production for the two countries of 293,550 tons and shipments of 291,520 tons. As Newfoundland produced 16,909 tons and Mexico 1,109 tons during September, the total North American production for the month amounted to 311,568 tons.

Canadian mills operated at 84.1 per cent. capacity during the month of September and United States mills at 80.1 per cent. Stocks of newsprint paper carried by Canadian mills amounted to 33,384 tons and those of the United States mills to 30,751 tons, a combined total of 64,135 tons, or the equivalent to 4.5 days average production.

Production of newsprint by the Canadian mills for the first nine months of 1927 amounted to 1,519,235 tons, an increase of 138,513 tons or ten per cent. in excess of production for the same period in 1926. The mills operated at 85 per cent. of their rated capacity during this period.

United States mills produced 1,136,036 tons in the first nine months of 1927, a decrease of 123,470 tons or ten per cent. less than for the same period in 1926. Total production on the North American Continent for the first nine months of 1927 showed a betterment of one per cent., as Newfoundland with 150,385 tons and Mexico with 10,778 tons increased their production by 13 per cent. each.

Tables showing production and shipments of the Canadian mills, the United States mills, the combined Canadian and United States production, and the total production for North America follow:

Canadian Mills

	Production	Shipments	Mill Stocks
1927—Sept.	178,815	177,195	33,384
Nine months	1,519,235	1,500,126	33,384
1926— " "	1,380,722	1,376,868	14,864
1925— " "	1,115,232	1,113,807	22,864
1924— " "	1,015,793	1,008,079	21,547
1923— " "	943,692	931,617	18,670
1922— " "	794,848	794,137	14,082
1921— " "	580,676	572,697	17,030
1920— " "	661.021	659,847	8,145

United States Mills

	Production	Shipments	Mill Stocks
1927—Sept.	114,735	114,325	30,751
Nine months	1,136,036	1,118,310	30,751
1926— " "	1,259,506	1,254,695	18,648
1925— " "	1,127,436	1,120,350	27,281
1924— " "	1,109,246	1,103,547	23,487
1923— " "	1,126,192	1,118,581	24,663
1922— " "	1,069,619	1,074,743	18,810
1921— " "	910,870	905,392	30,241
1920— " "	1,139,300	1,130,076	24,593

United States and Canadian Mills

	Production	Shipments	Mill Stocks
1927—Sept.	293,550	291,520	64,135
Nine months	2,655,271	2,618,436	64,135
1926— " "	2,640,228	2,631,563	33,332
1925— " "	2,242,668	2,234,157	50,145
1924— " "	2,125,039	2,111,626	45,034
1923— " "	2,069,884	2,050,198	43,333
1922— " "	1,864,467	1,868,880	32,892
1921— " "	1,491,546	1,478,089	47,271
1920— " "	1,800,321	1,789,923	32,738

North American Production

	Canada	United States	Newfoundland	Mexico	Total
1927—September	178,815	114,735	16,909	1,109	311,568
Nine months	1,519,235	1,136,056	150,385	10,778	2,816,434
1926— " "	1,380,722	1,259,506	133,590	9.572	2,783,390
1925— " "	1,115,232	1,127,436	59,381	9,502	2,311,551
1924— " "	1,015,793	1,109,246	48,552	8,622	2,182,213
1923— " "	943,692	1,126,192	47,671	9,000	2,126,555

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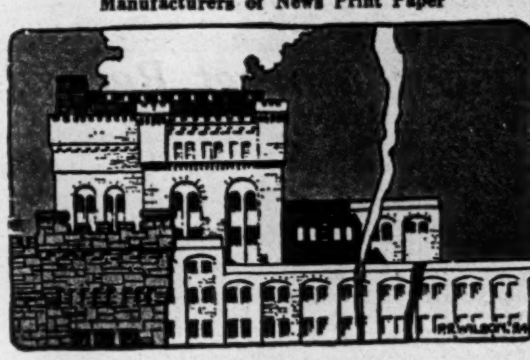

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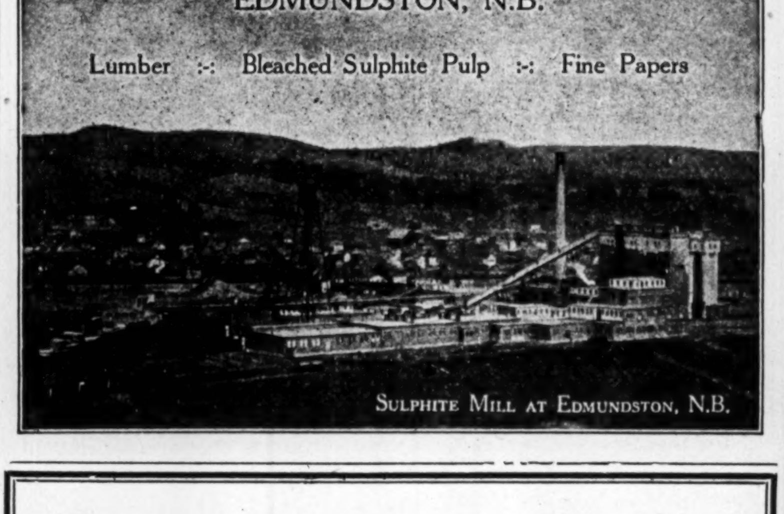

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OGILVIE PROFITS GROW AMAZINGLY IN YEAR'S TIME

Mills Show Small Profit But Investments More Than Make Up

Thanks to its strong investment holdings, Ogilvie Flour Mills Company, despite a year of close competition and comparatively small profit in the flour milling industry, has ended the most successful year in its history.

The financial statement covering the fiscal year ended August 31, 1927, after deducting depreciation and bond interest, discloses net profits of $1,755,332, an increase of more than 75 per cent. over the previous year. After deducting $300,000 for depreciation, and $140,000 for dividends on the 20,000 shares of 7 per cent. capital stock, $1,315,332 remained as earnings of the common stock, the equivalent of $17.53 per share on the 75,000 shares of no par value common stock outstanding. Dividends of $190,332 were paid on the common stock, leaving a surplus of $190,332. This was carried forward to the profit and loss account, which with the previous surplus now stands at $2,476,421.

The outstanding item in the balance sheet is an increase of over $2,000,000 in the investment account which is shown as $9,447,826, as compared to $7,367,213 in 1926. Ogilvie's investment account covers holdings in such strong Canadian companies as Dominion Textile, Montreal Power, Laurentide Power, Brazilian, Consolidated Smelters and others. Dividends from these companies are largely responsible for the excellent showing of the company, as the profits derived from the milling industry itself were small in comparison.

$300,000 for Depreciation

An item for depreciation makes its appearance in the balance sheet for the first time since 1924, $300,000 was appropriated for depreciation this year.

In 1924, $250,000 was appropriated for this fund. If last year's procedure had been followed this year and nothing deducted for depreciation, there would have been $1,455,332 available for the common shares, or the equivalent of $21.53 earned per share.

The current assets of the year are shown at $12,845,870, an increase of over $273,600 over last year, when they amounted to $11,672,196. Current liabilities amounting to $2,747,268 show an increase of over $338,500 over last year. Working capital amounted to $10,098,602 as compared to $9,263,454 in 1926.

Total assets at $17,073,689 increased by over half a million over 1926, when they were $16,544,832.

In the statement of assets, cash at $287,098 was some $1,626,000 less than last year. Accounts receivable at $1,940,283, and inventories at $1,140,662 show increases of over $500,000 and $171,600 respectively.

Property Account Lower

Property account was reduced from $4,872,635 to $4,227,819. Owing to an increase in the bonus on the company's shares which was raised from $5 to $10, current liabilties at $2,747,268 show an increase of more than $348,000 over 1926.

Comparative figures of income account figures covering the past three years follow:

	1926-27	1925-26	1924-25
Profits ……	$1,755,332	$1,000,873	$ 758,145
Sp. depr. …..	300,000	……..	……..
Bal. …….	$1,455,332	$1,000,873	$ 758,145
Pfd. divds. …	140,000	140,000	140,000
Bal. …….	$1,315,332	$ 860,873	$ 618,145
Com. divds. ..	1,125,000	750,000	581,250
Surplus …..	$ 190,332	$ 110,873	$ 36,895
Prior surplus .	2,286,089	2,175,216	2,138,321
P. & L. bal. .	$2,476,421	$2,286,089	$2,175,216
Earned per com. share ……	*$17.53	$11.47	$8.24

*After deducting $300,000 as special depreciation.

Including the $300,000 the earnings were equal to $21.53 per common share.

W. A. Black, vice-president and managing director of the company, in moving the adoption of the annual report, said in part:

"With the directors and myself, you will regret that our president, Mr. Hosmer, is still unable to be present at our annual meeting. I am pleased, however, to say that his general health is good, and that he continues to take a keen interest in the conduct of the company's affairs.

Points to Handicap

"The flour milling industry, while better than last year, still leaves much to be desired considering its importance as one of the great basic industries of the country. The profits directly attributable to milling are absurdly small, and satisfactory results are dependent upon the successful sizing up of the trend of the wheat markets; not the actual milling of wheat. In our own case, however, our profits are augmented by successful operations in other lines of activity. It is really wonderful how the flour mills have been able to stand up against the many disadvantages they labor under, especially with respect to the export end of the business. The difference between ocean freight on wheat and flour has amounted to as much as 10 cents per 100 lbs. in favor of the wheat being milled in a foreign country. The Wheat Pool at times has sold its wheat to foreign millers at lower prices than they ask the mills in Canada. The higher duties assessed by many countries on flour as against wheat amount in some cases to $1.60 per barrel. Mills in other countries are able to import Canadian wheat in bond and export the product to countries where they have more favorable arrangements as to duties than Canadian millers can obtain. These are some of the important items which greatly handicap the Canadian millers."

CUBAN CANADIAN SUGAR ADDS TO GROSS PROFITS

Company Earns 60 Per Cent. More Than in 1926

From Our Own Correspondent.

MONTREAL. — Gross profits of $612,079, an increase of nearly 60 per cent., as compared to last year, is reported by the Cuban Canadian Sugar Co. in its annual statement which has just gone forward to the shareholders of the company. The report is the most satisfactory in some years in view of the fact that although working under an enforced reduction in output of 51,155 bags the company's gross earnings amounted to $612,079 as compared with $226,000 in 1926 and $250,000 in 1925. The company at the same time realized only a half a cent more a pound for its sugars.

Despite the substantial increase in gross profits the company suffered a deficit of $58,435. This was due to the fact that some $272,940 was deducted for depreciation of plant and equipment as well as $78,410 as a reserve for doubtful accounts. Both these items were absent from the 1926 and 1925 balance sheets.

Output Restricted

After deduction of bond and other interest amounting to some $295,700 and writing off $23,400 for depreciation of cane fields, there was a net profit of over $296,900 as compared with deficits of $86,000 and $38,709 in 1926 and 1925, respectively. The establishment of the special depreciation funds, however, converted this into a deficit.

The company produced 204,725 bags of sugar during the year, being limited to this amount by the restrictions placed on production by the Cuban government.

The balance sheet shows a reduction of nearly $250,000 in property and plant, which are now carried at $10,081,017 as compared to $10,328,670 in 1926. Rolling stock is carried at $158,388, a reduction of $8,000. Cane cultivation shows an increase of over $23,200, it is carried at $261,199. Apparently a considerable addition was made to the company's herds of horses and cattle during the year as this item on the assets amounting to $258,117 shows an increase of $10,500 over 1926. Cash is carried at $28,420, an increase of some $15,800. The reduction of notes payable in the liability column from $141,250 to $98,750 is to be noted, also the elimination of the bank overdraft of $55,007 carried in 1926. Bills payable amounting to $798,809 show an increase of some $89,000 over 1926.

The profits and loss figures for the past three years follow:

	1927	1926	1925
Oper. profit ……	$499,478	$115,417	$152,603
Other income …..	112,601	111,248	106,032
	$612,079	$226,665	$258,715
Bond & other int. .	295,752	287,805	243,009
	$316,327	*$61,140	$15,706
Dep. of cane fields	23,412	24,860	54,415
	$292,915	*$86,000	*$38,709
Dep. of plant …..	272,940	……	……
	$19,975	*$86,000	*$38,709
Res. for doubtful ac.	78,410	……	……
Deficit for year …	$58,435	$86,000	$38,709

*Deficit.

The report to shareholders contains the following comment on the year's operations:

"Notwithstanding this reduction, you will note that operations for the past year have resulted in a gross profit of $612,079, as compared with a figure of approximately $225,000 for the preceding year. This improvement has been due substantially to the higher average price obtained by the company for its output, of approximately 2.85c. per pound f.o.b. Cuba, compared with 2.34c. during the previous year; and to some extent to lower operating costs as a result of plant improvements and other operating economies.

"No depreciation of plant and equipment was provided for during the fiscal years of 1925 and 1926. An amount of $296,352 has, however, been written off from the current year's operations for depreciation of plant and depletion of cane fields, and an amount of $78,409.67 as a reserve for doubtful accounts assumed in prior years.

Meet in November

"Additions to property account amounting to $73,011 have been made during the current year. All expenditures necessary to ensure the maintenance of plant and equipment in sound operating condition have also been made.

"In accordance with sinking fund provisions, $100,000 of the company's bonds have been retired during the current year.

"The present indications are that the policy of the Cuban government of restricting the output of raw sugar from Cuba will be continued during 1928. Whilst it is hoped that some improvement in the price of raw sugar may result, your management is doing its utmost to reduce its operating costs in order to offset in some measure the enforced curtailment of production."

The annual general meeting of the company's shareholders is to be held in Havana, November 18. 1927.

CAN. BREWING CORP. ATTRACTS ATTENTION

Will List Shares on Stock Exchange—Corporation Enjoys Strong Position

From Our Own Correspondent.

MONTREAL.—It is reported that the shares of Canadian Brewing Corporation are soon to be listed on the Montreal and Toronto Stock Exchanges. The shares are now listed on the Curb and are selling around 31.

Canadian Brewing Corporation was incorporated under an Ontario charter in December, 1926.

The corporation owns two breweries in Hamilton, one of which was formerly the Hamilton Brewing Association, and another Brewery in Toronto, formerly the Dominion Brewery. The three plants have a combined capacity of 120,000 barrels a year, and the output of the Toronto plant is to be increased by a 15,000 barrel addition.

The corporation has an authorized capital of 150,000 shares of no par value common stock, of which 100,000 is now outstanding. There are no bonds or preferred stock ahead of the common. Fixed assets amount to $1,708,000. After making ample depreciation charges it has been estimated that each share represents a property value of $13.

The corporation is stated to be in a very strong liquid position. At the end of August last current assets totalled $1,313,542, of which $750,000 was in cash or marketable securities. The ratio of current assets to liabilities is estimated to be 10 to 1, and total reserves are said to amount to $663,000. The corporation carries depreciation reserves equal to 25 per cent. of the property account, or over $6 per share in addition to the contingency reserve.

Current earnings of the corporation are reported to be around $4 per share. The corporation has no bank loans and is in a strong liquid position.

In view of the strategical location of the corporation's breweries, its sound financial position and strong management, prospects of a continued improvement in its earnings and standing are good.

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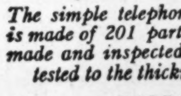
Most of the wire and cable, telephone instruments and equipment required for Canada's million telephones are made by Canadians in Canadian workshops. Thus the Northern Electric Company, by developing and supplying this necessary equipment, contributes directly, as well as indirectly, to the industrial growth of Canada, and to the comfort, convenience and efficiency of Canadians and Canadian enterprise.



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PURCHASE OFFER URGES EXECUTIVE TO DAIRY'S SPLIT

Division of Shares Has Been Hope But Not Expectation

MARKET HAS ITS WAY

Suggested to Directors That Action on Sale of Property Was Alternative to More Generous Dividend

The split in the common stock of City Dairy, Toronto, which was announced this week, was in a measure unexpected for the reason that the management was known to hold the view that the dividend rate on the present common was adequate. The split of shares of the existing stock of $25 par value into four shares of no-par value, plus the virtual promise of a dividend of $2 annually on the new stock, goes some distance toward justifying the recent high prices. The stock has been selling at more than seven times its par value.

According to information received from a reliable source, the hands of the directorate were forced in some degree by a group which had been steadily accumulating the stock for some time. The view of this group that the shares should be split was fortified further by the fact that an offer had been received for the property which was far in excess of the valuation placed on it in the balance sheet or by the return on the common shares. It is understood that this offer came from Eastern Dairies, in Montreal, which controls Acme Dairy in Toronto.

The proposition which forced the hands of the directorate, it is understood was simply that the directors should either give the shareholders the opportunity to act on the offer to purchase, or to place the shares on a commensurate dividend basis.

Northgrave Given 500 Shares

W. J. Northgrave, managing director of City Dairy, will be presented with 500 shares of common stock, but it has not been stated whether this is to be the new stock or the old stock.

Mr. Northgrave a few months ago completed 25 years as chief executive of the company. At the annual meeting, a resolution was passed authorizing the board of directors to determine in what manner his services should be recognized.

City Dairy common has been one of the most successful stocks on the Canadian market since 1917. A chart showing the price path of this stock, published in The Financial Post on March 4th last, showed that there had been a precipitate rise in value since 1917. The old shares sold as low as $30 in that year. On March 22, 1924, the old shares of $100 par value were split into four shares of $25 par value. At that time, the old shares were selling at 175, and the new stock soon began to sell at double its par value. Except for temporary fluctuations, the rise since has been continuous.

Not Always Profitable

The company has not always been financially impregnable, that position having been achieved in the last decade. In 1909, the common shares of $100 par value sold as low as $15, but mounted to above par in 1913. They later sold down rather rapidly in 1915 and 1916. Dividends on the preferred shares were deferred in 1916, and the accumulated arrears were not paid until 1921. There were no dividends on the common from 1916 to 1921.

In a review of City Dairy published in The Financial Post last March—when the present shares were selling at a little more than 100—it was stated that "the management is known to discourage the idea of greater yields in future, but the stock market serenely is pushing up the price of the stock. The reason is that this is a common stock which is being bought by investors, not on current yields, but on future. City Dairy is expected to have a happy, not to say brilliant future. It is believed that purchase at even the existing high figures will result in appreciation of principal."

Since the foregoing was published, the stock has risen more than 80 points.

$30 Share Worth $750

Bearing in mind that the present stock was split three years ago, it is seen that the market value of a share bought in 1917 at $30 is approximately $750 now, or an increase of 25 times the 1917 value.

The balance sheet of City Dairy is one of the most conservative. There has been a continual heavy writing down of assets and there have been heavy expenses in maintaining the property as one of the most efficient of its kind on the continent. The capitalization consists of $700,000 of outstanding preferred of $100 par value and $565,000 of outstanding common of $25 par value. Goodwill is carried on the books at $1. There is a large investment account.

Owns Dri-Milk Co.

While milk distribution within Greater Toronto remains the backbone of the business, it is known that no inconsiderable share of the profits in recent years have come from other branches of the dairy business. In addition to its butter and ice-cream business, the company owns outright Dri-Milk Co., Ltd., which was incorporated in 1920 to manufacture evaporated milk. Plants are operated at Courtland, Simcoe and Listowel, Ont. This company is capitalized at $1,250,000, of which $1,025,000 is outstanding and owned by City Dairy.

Another subsidiary of the company is City Dairy Farms, Ltd., a property at New Lowell, Ont., consisting of 740 acres. A thoroughly modern milk-producing plant is on the property. All the capital stock of this company is owned by City Dairy.

The company, last year, after constructing a most conservative balance sheet, showed earnings in excess of 40 per cent. on the common stock, or $10.15 the share, and nearly as much the year previously. A dividend rate of $2 on the new shares would leave in excess of 50 cents the share in the surplus account if the current year has shown no normal betterment in earnings. It is believed that the general prosperity of the city has helped the parent company in the current year and that the subsidiaries likewise have prospered.

City Dairy is one of the S. J. Moore group of companies. Mr. Moore is chairman and vice-president, and Mr. Northgrave is president and managing director. The other members of the board are A. E. Ames, W. N. Shenstone, Col. F. H. Deacon, Mark Bredin, F. Erichsen Brown and E. G. Baker. The late John G. Kent also was a director.

C. N. PLAN AS TO BONDS LOOKS TO CAPITAL REVISION

Retire Smaller Issues in Order to Simplify Bookkeeping

From Our Own Correspondent.

OTTAWA.—Hon. Charles Dunning, minister of railways, appears to be pressing forward rapidly with the preliminary work which must be done before the capitalization of the Canadian National Railways is overhauled.

A few days ago the settlement with the holders of Canadian Northern income bonds was announced. Inquiries at the departments of railways and finance indicate strongly that the government expects this settlement to go through. There is some anxiety apparent as to the position which Canadian holders will take. However, the prevailing view is that they will agree to the terms as announced.

This settlement will have to be ratified by legislation at the next session of parliament, and it probably will not be the only settlement of the kind to be confirmed. The Canadian National Railways last week advertised in London for the purpose of retiring another issue of bonds which bars the way to a unification of the system. This is the Grand Trunk Junction Railway Mortgage Bond Issue. The capital sum involved is $938,960. The bonds were issued many years ago, bear interest at 5 per cent. and would mature January 1, 1934. The national railways, with the approval of the minister. has declared in advertisements that if the bond holders will assent, the issue will be brought in on January 1, 1928, at 99 for 100 par. The bondholders must accept the offer prior to December 1st next.

The purpose of this action is to remove the necessity now resting upon the management of keeping special accounts for the few miles of road involved.

Several other issues of bonds and debenture stock. all of small amounts, must be retired before the capitalization of the road can be overhauled. It is understood that the management is negotiating with the various bondholders and that settlements will be reached as quickly as possible.

Public Utility Earnings

Monterey Rly. Light & Power

3 Mos. to June 30, 1927—	Gross	*Expenses	Surplus
Rly. Lt. & Pr. ...	$252,829	$249,045	$ 3,783
Water and Sewage	75,876	47,197	26,678
Total	$328,705	$296,243	$32,462
Aggre. Earn. from 1st Jan., 1927, to 30th June, 1927	$636,372	$583,738	$52,633

*Includ. provision for renewal and obsolescence

Can. Western Natural Gas

	1926	1927	Increase
January	$138,443	$199,753	$61,310
February	126,850	193,421	66,571
March	111,770	168,005	56,235
April	106,121	141,436	35,315
May	52,898	102,615	49,717
June	37,018	71,993	34,975
July	43,725	49,290	5,565
August	40,520	43,755	3,235
Agg. earn. from 1st Jan. to 31 Aug.	$657,345	$970,268	$312,923

B. C. Electric

August—	1926	1927	Increase
Gross earn. ...	$1,019,798	$1,061,786	$41,988
Exp., main., etc.	750,979	783,335	32,356
Net income ...	$ 268,819	$ 278,451	$ 9,632
Aggre. Gross from 1st July to 31st Aug., 1927 .	$2,018,141	$2,093,629	$75,488
Aggre. net from 1st July to 31st Aug., 1927 .	$ 533,377	$ 548,196	$14,819

Winnipeg Electric

August—	1926	1927	Increase
Gross earn.	$ 416,048	$ 437,665	$ 21,617
Expenses	285,373	301,028	15,655
Net earn.	$ 130,675	$ 136,637	$ 5,962
Agg. gross from 1st Jan. to end of Aug.	$3,603,375	$3,899,289	$295,914
Agg. net from 1st Jan. to end of Aug.	$1,261,709	$1,370,075	$108,366

Niagara Falls Power

The Niagara Falls Power Company and subsidiary companies combined income for the quarter ended September 30, 1927:

Oper. revenue	$3,349,911
Oper. expenses	$ 973,895
Retire. expense	261,541
Operating taxes	478,396
Total deductions from oper. rev. ..	$1,713,832
Net oper. rev.	$1,636,078
Non-oper. rev.	23,129
Net income	$1,659,208
Int. on funded debt	$ 510,619
Miscellaneous	25,847
Total deduct. from net income	$ 536,466
Surplus income	$1,122,741

CALL MEETING IN LONDON TO RATIFY C. N. R. AGREEMENT

Redemption of Principal Meets With General Favor

OPPOSITION IS LIKELY

No Earning Statement During "Lean Thirteen Years" May Prove Bone of Contention

November 15th has been named for the meeting of the stockholders of the Canadian Northern Railway 5 per cent. income charge debentures, at which the offer of the railway management to redeem the stock at 94 per cent. will be considered.

This meeting will be held in London and proxies have been mailed to the holders of the stock. With the proxies was an outline of the plan of arrangement that had been mutually agreed upon by the railway's representative and the English shareholders' committee.

The amount of these debentures outstanding is approximately $25,000,000 and no interest has been paid upon them since 1914, during which time they have been the subject of continuous controversy, which has been considered detrimental to Canadian credit among British investors. The debentures become payable, at par, in May, 1930, but under the plan suggested, they are to be retired in May, 1928, at 94 per cent.

Dominion Agreeable to Plan

When the arrangement arrived at between the stockholders' committee and the management of the Railway has been ratified by the holders of the securities, the plan will await the endorsation of the Dominion Parliament. The terms of settlement have, however, the approval of the Canadian Government, who have notified the trustees to that effect.

When word was received on this side last month that an agreement had been reached, it was generally supposed that the English committee had been upheld in their demands as set forth in a memorandum made public last July by the secretary. Dissatisfaction has been expressed by Canadian shareholders in that the committee in its anxiety to settle the dispute waived certain demands which hitherto had proven the chief bone of contention.

It was, and is generally regarded that the legal position of the shareholders in regard to the repayment of principal in 1930 is unassailable. But the matter of an accounting of earnings, upon which rests the decision of whether or not the dividend will be paid, now appears to be peacefully buried.

Trust Deed Disregarded

The trust deed covering this stock issue specifically states that the railway management was to give a statement of earnings every six months. This was done until 1914, when certain changes took place in the makeup of the organization, and instead of keeping a separate set of books for the Canadian Northern Railways, one set for the whole system was put in force.

For the past thirteen years the shareholders have been unable to secure an accounting of earnings. Nobody, least of all the railway, appears to know if the Canadian Northern made a profit during those years. The secretary of the railway has periodically made public the statement that earnings have been insufficient to pay interest on these debentures, but no figures have been quoted.

Efforts to have an accounting have proved futile. It has been pointed out to the shareholders that under the present system of bookkeeping it is impossible to arrive at even an approximate idea of earnings.

Peaceful Meeting Unlikely

It is not believed that the meeting in London will be a lamblike affair. Canadian interest in this debenture is now much larger than is generally supposed and opposition to the proposed arrangement comes mainly from this side. A few pertinent questions may be asked at the meeting in regard to the "lean thirteen years," which may or may not prove a stumbling block to the successful conclusion of the long drawn-out negotiations.

BRITISH INVESTORS GREAT WEST LOAN MAY LOSE HEAVILY

(Continued from page 1)

but opponents of their appointment declare that their presence is a mere subterfuge to keep the Alexanders in control of the company for a while longer. They are, however, responsible citizens. A refusal to surrender the books is forecast.

Recently Allan S. Bond of the National Trust Company made, at the direction of the courts, an examination of the Great West Permanent Loan Company. His report was sensational but no more sensational than rumor had forecast it would be.

The directors of the company came in for a severe drubbing from him. He presented chapter and verse to prove that the directors have forgiven themselves their own debts, had drawn their pay in advance, had fed the shareholders with false impressions, had sold debentures to the British public on misinformation and had generally run the company into the ground by bad management and doubtful loans.

Misled British Investors

He told the story of some of the strange actions of the directors, most outstanding among these being the sinking of nearly $2,500,000 into the Hotel Marlborough in Winnipeg, that has proven nothing but a burden. There were loans to directors and directors' wives and numerous large loans that appeared uniformly to be on bad security. On the question of the continued sale of new debentures to the British public within the past few years, after the company had got in itself into hopeless financial entanglements, he said:

"I regret to say that the official reports and statements of the company have been entirely misleading. . . . As to the security, it has been altogether unsatisfactory. One needs but to refer to the character of the assets and to the obvious use to which debenture money and other capital moneys of the company have been really devoted during the last few years. It is inconceivable that had the debenture holders known the situation since, say, 1921, they would have invested in the debentures of the company. The debentures are sold in the Old Country through debenture agents having more or less their own clientele, the firms which act as agents usually being firms of standing. I venture the opinion that the company's debenture agents have not from time to time been furnished with such satisfactory information regarding the true opinion of the company as they should have had. If they relied upon the company's official statements they certainly have been deceived.

"The company has continued to sell debentures practically down to the present time. In my opinion such sale during the last four years has been wholly unjustified. Obviously a large proportion of the money coming in from the sale of debentures has for some time past been used either in paying off the debentures which matured and were not renewed or has gone into real estate, as for example, the Marlborough Hotel, or used in paying the operating expenses of the company."

The Great West Permanent loan has proven a tragedy and its half sisters the Imperial Canadian Trust Company and the Canada National Fire Insurance Company, have suffered as well. Local opinion is that the Imperial Canadian Trust Company will also be wound up while the fire company is likely to be sold to some strong fire insurance company.

Loss $12,000 Last Year

Reconstructing the 1926 profit and loss statement, the report indicates that cash income was $92,952 and cash expenditure $275,071, indicating an excess of expenditures, or impairment of shareholders' capital of $182,120 during the year.

Going further back, Mr. Bond estimates that the company has run at a loss since 1923, and he places these losses at:

1923	$ 63,658
1924	38,687
1925	12,515
1926	115,099

The greatest profit was made in 1914 when the net gain was $356,879.

A reconstructed balance sheet shows liabilities of $5,264,761 and assets of $3,417,006, indicating a deficit of $1,847,755.

Company has 1,180 shareholders.

The report goes extensively into the various loans made by the company to projects in which the directors were alleged to be interested and details the losses on each.

The following table shows the progressive decline of the company:

Distribution of Earnings

	1923	1924	1925
*Net profits	$†63,658	†$38,686	†$12,515
Bal. forward ...	17,444	.....	.....
	$ 46,164	†$38,686	†$12,515

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Prof. A. Cap.	Earn. Rate
1913	$2,356,025	$225,849	9	11.6	9.1
1914	2,400,484	244,266	9	10.1	7.9
1915	2,410,925	203,667	‡8	8.4	6.6
1916	2,411,826	208,253	8	8.7	6.7
1917	2,412,566	206,338	5	8.5	6.6
1918	2,412,578	207,879	.	8.6	6.8
1919	2,413,018	161,598	5	6.7	5.0
1920	2,414,663	157,715	5	6.5	4.0
1921	2,415,863	129,069	5	5.3	4.0
1922	2,417,120	6,313	.	.2	..
1923	2,417,311	†63,658	.	..	..
1924	2,417,512	†38 686	.	..	..
1925	2,417,722	†12,515	.	..	..

*After deducting expenses, taxes, interest, etc.

‡For first half of year 9 per cent. was paid and 7 per cent. in the last half.

†Loss.

Quinte Breweries Move Office

The head office of Quinte Breweries, Limited, of Belleville, of which Richard H. Howard is president, has been moved from 404 Royal Bank Building to 344 Bay Street.

The entire holdings of W. H. Thorburn have been bought by the members of the Quinte Board.

Merger of Knitting Concerns Completed; Four Are Involved

Trade Says New Consolidation Will be Comparable to Penmans — Between $3,000,000 and $5,000,000 Figure in Deal

Toronto interests are said to have completed negotiations for the merger of three prominent Eastern Canadian knit goods makers, namely, Forbes, of Hespeler; Harvey Knitting Co., of Woodstock; and Zimmerknit, of Hamilton.

Furthermore, Mercury Mills, of Hamilton, may join the group provided that certain concessions are given to it.

This deal has been simmering for some months, first coming into prominence last spring. At that time a hitch occurred and Zimmerknit dropped out of the combination, financing its own needs by the sale of a preferred stock issue through Denman & Co., of Hamilton, and R. A. Daly & Co., of Toronto.

The companies mentioned have been in successful operation for a number of years, and those interested in the merger say that the consolidation will put these concerns in a position comparable to Penman's.

Little Competition

At the present time, there is not a great deal of competition between the constituent companies, as a substantial proportion of their total business is in non-competing lines, a wide variety of styles and prices enabling each company to find its own field within the same industry.

While all of the companies mentioned in this deal have done very well, profits have often fallen below the margin considered fair and equitable, considering the large volume of business done. This has been due to somewhat chaotic conditions in the knit goods business generally, chiefly induced by foreign competition. This has come particularly from countries with depreciated currencies. Merger of the companies under a single management, it is said, would enable economies to be effected that would widen the margin of profit without increasing prices.

Further confirmation of the deal is to be seen in the fact that common stock of Zimmerknit has risen several points in the last ten days. The other companies have not much public investment interest, but recent figures on the capitalization of Mercury, Harvey's, Zimmerknit, and Forbes, show that if these companies enter the merger on the basis of par value for securities outstanding, between $3,000,000 and $5,000,000 will be involved.

GRANBY'S FAMOUS ANYOX GROUP WAS SOLD MANY TIMES

Big New York Operator Secured Them Back in 1910

Anyox, where the big mining industry of the Granby Company is located on the northern coast of British Columbia, is the name for the little stream emptying into Granby Bay, near the headwaters of which, about the year 1899, Luke Nelson and Max Collison, of Kincolith, staked two mineral claims, calling them Alpha and Beta. The English for Anyox is Hidden Creek, the name by which the group of claims surrounding the original locations on Mammoth Bluff are now known to the mining fraternity.

Like most mining centres, Anyox has had its share of romance. Wherever prospectors have their existence, strange tales have a habit of finding believers; and it was because of wondrous stories whispered in the older days, to eager-listening white men by the natives of this north coast that indirectly led to the finding of the body of ore which has since been developed into an industry of considerable magnitude. Some of these colorful-speaking Indian narrators even told of a real "mountain of gold," at a far-away spot near the shores of Observatory Inlet; and many attempts to prove those stories were made from time to time; but while no mountain of real gold ever materialized to dazzle the sight of seekers, the claims back on Hidden Creek have proven veritable store-houses of hidden wealth.

The original locators of the ground did not come to affluence by virtue of their discoveries, however. Shortly after the claims were staked, Messrs. Nelson and Collison disposed of them to M. K. Rodgers, representing what

(Continued on page 9)

HUDSON BAY MEN MUM ON ATTACKS BY SHAREHOLDER

(Continued from page 1)

per cent. as against the 12 per cent. for 1920.

"Another disquieting feature is with regard to land sales. During the nine years to 1927 lands to the value of £3,018,098 have been sold, but only £822,455 has been brought into the accounts as available for distribution, the difference of £2,195,643 having been absorbed in municipal and other taxes and expenses.

"In spite of these unsatisfactory results of their administration the governor and committee decided to call for further investments from the shareholders and we have, at their invitation, entrusted them in 1926 and 1927 with a further four millions sterling. Considerable criticism has been levelled against the directors' policy in causing these issues to their own shareholders to be underwritten by Messrs. Morgan, Grenfell & Co., and Messrs. Lazard Brothers & Co., Ltd. (the late governor's company) to whom over £70,000 was paid for this operation, although the issue was made at a price substantially below the market quotation and the underwriters so far as I know did not have to take up a single share.

Calls Plant Investment High

"The company's accounts seem now to have drifted into an unwieldy condition. If reference be made to the published balance sheet at 31st May, 1927, it will be seen that no less than £4,204,149 has been invested in buildings, a sum which is actually more than the issued capital of the company, and nearly four times as much as the value of the goods available for sale in those buildings.

"The policy of selling the company's land (a capital asset) and distributing the net proceeds amongst the shareholders whilst at the same time asking the latter to give back, in subscribing for new shares, all and more than they receive for the land, does not seem very consistent or far-seeing.

"It is curious to note that, in the directors' report of the last meeting, my criticisms which were supported by the shareholders present, are dismissed in three lines. A long speech, however, by the next speaker, occupies no less than three full pages of the report, presumably because it was full of lavish praise of the directors and thus concludes:

"'Mr. Chairman, I offer you my sincere admiration and most hearty congratulations.' (Cheers).

"I did not hear the cheers but the speech was so obviously inspired that I exercised my statutory right to obtain particulars of this gentleman's holding, which proved to be 100 shares which he acquired only 18 days before the meeting!

"Recent appointments to the board seem to have been of gentlemen having little interest in the company's affairs, four of these gentlemen not holding a single share prior to their appointment."

The shareholder appends the following statement:

Summary of Analytical Extracts from Accounts from 1919-27

	PART 1—TRADING			PART 2—LAND SALES		
Year	Net amount invested in Fur Trade Sale Shops and Winnipeg Head Office	Net profits from foregoing sources	Net percentage of profits on amount invested	Proceeds of Sale of Lands	Municipal and other Taxes and Expenses During Year	Residue stated as available for distribution (after bringing in Interest and sundry Adjustments)
1919	£3,606,838	£386,228	10½%	£407,492	£238,038	£205,022
1920	3,350,972	410,899	12%	458,257	431,313	179,298
1921	4,231,607	110,328	2½%	472,390	313,839	183,459
1922	3,975,849	320,667	8%	335,217	241,067	103,446
1923	4,348,530	206,952	4½%	267,897	227,464	21,785
1924	4,315,973	235,903	5½%	215,546	227,918	24,710 (minus)
1925	4,690,246	211,034	4½%	238,434	226,563	33,246 (minus)
1926	5,283,372	254,176	5%	294,413	196,294	35,541
1927	6,779,656	151,910	2%	328,452	162,166	151,860

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REPORT PERSISTS BENNETT TO SELL TO INTER. PAPER

Graustein Reported Already to Have Minority Interest in E. B. Eddy

MOVE SEEMS LOGICAL

Would be Natural Step in Expansion Which is Heading Toward Domination of Industry

From Our Own Correspondent.

MONTREAL.—The report that the Hon. R. B. Bennett, recently elected leader of the Conservative party is to dispose of his majority interest in the E. B. Eddy Company, of Hull, P.Q., to the International Paper Company persists, in spite of the fact that the Hon. Mr. Bennett has categorically denied that his recent visit to New York was for that purpose.

Mr. Bennett has said that he will dispose of his business interests within a year or two.

The International Paper Co. is reported already to have a minority interest in the Eddy Company and in view of International's extensive holdings on the Ottawa and Gatineau Rivers, its acquisition of the Eddy Company would seem a logical extension to the programme of expansion it is carrying on in the Canadian newsprint field.

Would Then Dominate

With the Eddy Company under its control, International Paper Co. would have achieved to a position dominating the whole industry. It would have secured 2,000 square miles of timber limits in the Ottawa and Gatineau valleys in addition to its already large holdings there. In the Eddy plant it will have mills covering 75 acres in extent with a daily output of 120 tons of newsprint, 20 tons of wrapping paper, 1,000,000 paper bags, 10 tons of tissue and toweling, 75 tons of sulphite pulp, 30 tons of fibre paper, 20 tons of fibre board, and a match factory with an output of 120,000,000 matches.

Some 2,500 men would be added to its already small army of employees and its payroll would necessitate an increase of $1,000,000.

At the present time, the International Paper Co. owns or holds the controlling interest in pulp and paper and power companies in Ontario, Quebec, New Brunswick and Newfoundland in addition to its large properties in Louisiana and Maine.

Owns Largest Mill

Canadian International Paper Co., which it controls, operates the largest newsprint mill in the world at Three Rivers, P.Q., with a daily capacity of 700 tons. It has a 600 ton newsprint mill under construction on the Gatineau River and its Kipawa and Hawkesbury mills have a daily capacity of 400 tons of bleached sulphite. It has over 10,000,000 acres of timber limits in crown leases.

In the Gatineau Power Company, the International Paper Company has set out to develop 397,500 horse power from its four hydro power plants on the Gatineau and Ottawa Rivers situated at Chelsea, Farmer Rapids, Paugan Falls and Maniwaki.

POLAND'S LOAN IN WALL STREET AIDS ALL TRADE

Gold Standard is Helpful to Exporter, Says Owen D. Young

The Polish stabilization loan, floated this week in New York, brings forth comment from Owen D. Young, head of the General Electric Co., which is of interest in Canada, although the remarks were with reference to the United States. What Mr. Young has to say with regard to the importance of European countries being on a gold basis, applies perhaps with greater force to Canada, as this country has exportable surpluses of agricultural and maufactured products, as well as to the United States.

"The importance of having Europe on a gold basis and of the stabilization of European currencies is only beginning to be generally recognized," said Young. "We have a large exportable surplus of agricultural products and a surplus, not so large but of growing importance, of manufactured articles for which we are seeking markets abroad. The difficulty of establishing reliable and permanent markets for our goods in countries where currencies are inflated, or widely fluctuating, has been vitally demonstrated to many sections of our people during the past ten years.

"In view of these considerations, the Polish stabilization loan is an important one.

"The programme of stabilization adopted by the Republic of Poland has had the benefit of long and careful study. Under the supervision of the American adviser the loan would seem to provide adequate funds for carrying out a sound and well-co-ordinated financial policy. The plan provides that capital of the Bank of Poland will be increased, that the zloty will be established on a gold basis, and that currency will be issued only by the Bank of Poland on adequate gold reserves. This plan in conjunction with the present balanced budgetary policy should give increased strength in the trade activities of the nation, both domestic and foreign.

"This plan, carefully worked out as it has been, is part of a broad policy of assistance to Europe which could not be accomplished without American help, because of our predominant position as a reservoir of gold and of credit. We may take no little satisfaction in rendering this help. But, beyond that, it must be evident to all who study the matter that no people benefit more from the success of these plans of stabilization than do the farmers, the manufacturers and the merchants of our own country, and indirectly, our own people as a whole."

Robin, Jones and Whitman Improve Business Position

By Staff Editor

HALIFAX, N.S.—The position of Robin Jones & Whitman, is at present more favorable than it was one year ago. Profits for the year to date are said to be better than in 1926. The company, which operates a trading and fishing business, in Quebec, New Brunswick and Nova Scotia, pays a regular quarterly preferred dividend, but 1 and 1½ years of dividend arrears are still to be liquidated.

The arrears would have been paid off but for a collapse of the market for fish last year.

Judging from this year's business to date, and prospective business offerings, the preferred shareholders can look forward to eventual liquidation of dividend arrears.

DOM. COMBING MILLS CAPITAL CUT PROPOSED

Meeting Called for October 15th is Merely Shareholders' Discussion

A special meeting of the shareholders of the Dominion Combing Mills, Limited, was held at the factory at Trenton, Ont., October 15th. C. A. E. D. Brown was elected president, but his election is disputed by A. E. Rea, president. The former management contends no meeting was held, the proceedings irregular, and no legal business transacted.

The general meeting of the shareholders is called for Monday, October 31st, at the town hall, Trenton.

Would Reduce Capital

The company was incorporated with a capital stock of $2,500,000 divided into $1,000,000 preferred, and $1,500,000 worth of common; all of which stock has been issued as fully paid-up and non-assessable. There are 3,500 shareholders.

The company owes approximately $218,000 in addition to several items of current liabilities. Its owns the plant and equipment in the Town of Trenton, which represents an investment of between $800,000 and $900,000. When running at full strength, between 40 and 50 hands were employed. The plant has not been in operation, however, for the past three weeks; nor have the payments of dividends on the preferred stock been made in the past two years.

At the meeting convening on Oct. 31st, the following plan will be suggested as a means of rehabilitating the company and placing it on a sound operating basis, at the same time conserving all interests concerned.

1. That supplementary letters patent be applied for reducing the capital stock of the company, and in the place of the present outstanding issue that stock be authorized on the basis of $500,000 worth of cumulative participating preferred 7 per cent. shares; such shares having the par value of $100—and 25,000 shares of common stock, of no par value.

Would Issue Bonds

2. That simultaneously with the readjustment of the stock issue the company authorizes a 6 per cent. twenty-year bond issue to an amount sufficient just to cover the company's liabilities on a basis of a proportionate settlement that may be agreed upon between the creditors and the company; the creditors on their part agreeing to accept in full payment and satisfaction of their debts a percentage of such debts, and to accept the bonds of the company to the amount of such percentage, and not require cash.

3. That the creditors on receiving these bonds will dispose on the market of a certain number of the bonds as may be agreed upon and use the proceeds of the sale of these bonds for the purpose of buying an equal amount of preference shares, thus turning part of the bond issue into cash for the purposes and benefits of the company.

4. That $300,000 worth of the preference shares will be sold for cash with a bonus of common stock as may be agreed upon, and all the proceeds from the sale of these preference shares—whether to creditors or to the public—will be used solely and exclusively for working capital of the company.

5. That in the original formation of the company the stock was sold in units, all shareholders holding preference shares with a proportion of common stock. To the present shareholders of the company the new no-par stock will be issued on the basis of a given number of shares of new stock in a proportion to be agreed on to the total number of preference and common shares at present held by each shareholder.

6. That the by-laws of the company limiting the board of directors to five members should be changed to make the board consist of seven members, and that in the election of such directors the holders of preference shares should have the right to elect three members of the board, and the holders of the common stock should have the right to elect four members of the board.

GRANBY'S FAMOUS ANYOX GROUP WAS SOLD MANY TIMES

(Continued from page 8)

has been known as the Daly Estate, for $6,000, taking a modest cash payment of $300 to bind the bargain. On taking the bond, Rodgers planned certain development work and proceeded for a year, at the end of which time, acting on the advice of their field expert, the Daly interests abandoned the property.

It was then restaked by Rev. J. B. McCullagh, a clergyman stationed at Aiyansh, on the Naas River, some adjoining ground surrounding the Alpha being recorded by Messrs. Rudge, Robinson and Flewin, of Port Simpson. Later, McCullagh allowed his claim to lapse, when it was restaked and consolidated with the Flewin-Rudge-Robinson group.

Two years after this consolidation had been effected, J. T. Hillis, scouting through the district, obtained an option on the claims for $35,000. He spent some $50,000 with fairly satisfactory results, but the panic of 1907 interfered with his financial plans and he was forced to offer the property for sale. Hearing that it was on the market, and having great faith in its possibilities, Rodgers, having in the meantime left the Daly interests, secured another option on the property, this time for $135,000. This option was completed, the money being put up by T. Hodgins, a banker of Butte, Montana. The exercising of the bond, together with certain development necessitated by the agreement meant an investment of $250,000. It was then that Hodgins, not wishing to risk any more money in a mining venture, asked Rodgers to look for a purchaser. This he did, interesting the Granby Company, and it was sold to its present owners in 1910. Since that time, the story of Anyox may be read in the mining history of British Columbia.

EXPECT CEREAL TRADE TO BOOST C. P. R. EARNINGS

Railway Traffic to Increase With Higher Yield of Wheat

WAGES REDUCE NET

Movement of Grain to Lake and Sea is Delayed This Year by the Late Ripening

MONTREAL.—Net earnings of the Canadian Pacific Railway up to September 1st showed a decrease of $2,181,963 over the corresponding period for 1926. August was the fourth straight month in which declines were shown when compared with the corresponding month in 1926. It will be interesting to note the effect the movement of this year's grain crop will have upon the earnings of the company. The prairies have an excellent crop this year, and the yield is estimated to be some 100,000,000 bushels larger than last year. Alberta has had the largest crop in the history of the province.

Although the West enjoyed bigger crops this year, seeding was late because of a retarded spring, and in consequence the crop ripened later, so that the frosts struck some sections before harvesting had begun. Threshing operations have also been retarded in some sections by rain and snow. This, of course, will effect the amount of grain that is actually marketed and will doubtless curtail the amount of grain shipped in some sections.

Because of the late season the movement of grain towards the Atlantic and Pacific seaports, which usually begins around the first of September did not set in until the middle of the month this year.

Canal Traffic Heavy

The Dominion Bureau of Statistics reports that grain traffic through the St. Lawrence canals was particularly heavy during September, wheat shipments showing an increase of 169,790 tons over September 1926, rye an increase of 143,638, corn 20,730, and barley 9,918. A considerable portion of this grain was brought to the head of the lakes over the line of the Canadian Pacific.

Car loadings for the week ending October 1st were reported as for grain to be heavier by 3,316 cars than the corresponding week last year.

While the movement of the grain crop will continue unabated until the closing of navigation on the Great Lakes, which usually occurs in the first or second week in December, something of the influence the increased traffic will have on Canadian Pacific Railway's earnings is disclosed by traffic earnings reported for the week ending October 7th. Earnings amounted to $4,773,000 as compared with $4,660,000 in the corresponding week last year, being an increase of $113,000.

Wages Are Higher

Of course it is to be remembered that gross earnings of the C.P.R. for the first eight months of the year, amounting to some $122,129,000, were over $3,670,000 in excess of 1926, but because of the increased wage scale and other causes, net profits showed a decrease of over $2,180,000. It therefore follows that the volume of grain traffic for 1927 must necessarily be considerably in excess of that of 1926 to effect an increase in the net profits of the company.

FINDS MARITIMES CONFIDENT FUTURE WILL BE BETTER

Eastern Editor Financial Post is Interviewed in Halifax Newspaper

"A feeling of satisfaction and confidence in the future prevails amongst business and public men throughout Nova Scotia," said Rielle Thomson, Eastern editor of The Financial Post, in an interview with the Halifax Evening Mail last week. Mr. Thomson is at present engaged in touring the province in the interests of his paper. "A year ago when I was in the province," continued Mr. Thomson, "I found an almost universal distrust of Upper Canada, coupled with a somewhat dismal outlook regarding the future business possibilities of this province. To-day there is a changed sentiment due to the improvement in fundamental and underlying business conditions here. While Nova Scotian business men will undoubtedly continue to insist on the implementing of the recommendations of the Duncan report, yet the general feeling touching the treatment which the Maritimes have received appears to be less bitter than it was a year ago. Business men appear to have forgotten—at least in part—differences of opinion which so marked the situation in this province some months ago. There is a changed feeling in the air all of which can not fail but to lead to a betterment in the industrial situation in the province."

Greatly Improved

Mr. Thomson told The Mail also that he was greatly impressed by the increased activity in the precious metal mining fields of Nova Scotia. It is his opinion that the revival of interest in what is undoubtedly a major natural resource of the province cannot fail but to add greatly to the general level of prosperity. To quote his own words: "Nova Scotia needs only money and energy to take its place beside Ontario and British Columbia as a leading producer of gold. New money for gold mining has already begun to flow eastward. The larger mining interests are already developing the mining areas of the province and for the future the flow of financing will increase in growth. The native qualities of the Nova Scotians will ensure that such funds are applied in directions which will bring forth fruit one hundred fold. In other words, Nova Scotia has the backbone for gold mining and the money is bound to come.

PREDICT UNITED AMUSEMENT CO. EARNINGS GROW

Annual Statement Will Show Materially Higher Profit for 1927

MONTREAL.—The substantial increase in earnings which it is anticipated will be shown in the annual statement of the Famous Players Canadian Corp., whose fiscal year was brought to a close at the end of August of this year, has drawn attention to the United Amusement Corp., Ltd., in which Famous Players Canadian Corp. holds a substantial interest.

United Amusement Corp. completed its fiscal year August 31, 1927, and while no official figures are yet available it is expected that the annual report, which will shortly be placed in the hands of the company's shareholders, will show a material increase in earnings as compared to last year.

The volume of admissions and receipts are said to be considerably over those of 1926 and net earnings to be well in line with the estimated figures published at the time of the company's recent issue of $1.500,000, 15 year, 6 per cent. first mortgage gold bonds.

It was then stated that average net earnings of the company for 1925 and 1926, after deduction of operating expenses and local taxes but before depreciation amounted to $243,953.49 equivalent to 2.71 times the annual interest requirements of $90,000 on the bond issue.

Earnings Grow

For the ten months ended June 30, 1927, net earnings on the same basis were estimated to be $313,814 or nearly 3½ times the interest requirements of the bond issue. As there were two more months yet to run it will readily be seen that the company had already made a considerable advance in earning capacity over the previous two years, and this will be revealed when a statement of complete earnings for the year is forthcoming.

United Amusement Corp., was incorporated in 1924 when it took over the chain of theatres owned by the Independent Amusement Co. and United Amusement, Ltd. At the present time it is operating twelve theatres in Montreal, with an aggregate seating capacity of 14,400 people, including the Regent, Plaza, Papineau, Corona, Rivoli, Westmount, Rosemont, Strand, Belmont, Rialto, Mount Royal and Amherst.

The Rivoli theatre is one of the latest added to the company's chain and was only completed toward the close of 1926. It cost in the neighborhood of $250,000 and is considered one of the finest motion picture houses in Canada. The Rosemont, the last addition, was opened last April.

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By-law 3747—4½%, 15 Year Sinking Fund Debentures, maturing 1st October, 1942	58,000.00
Total Amount Offered	$246,000.00

1. The Debentures will be issued in $1000.00 denominations and dated 1st October, 1927.
2. Coupons will be attached for the half-yearly payment of interest at the rate of 4½% per annum.
3. Debentures will be payable both as to principal and interest at the Imperial Bank of Canada, Toronto.
4. The right is reserved to reject any or all proposals.

STUART K. WATT,
City Treasurer.

City Treasurer's Office,
St. Catharines, Ontario,
19th October, 1927.

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TORONTO, OCTOBER 21, 1927

BUSINESS MEN IN POLITICS

WHAT it will cost Mr. Bennett in dollars and cents to lead the Conservative party is something that he alone can estimate. But it will be many thousands of dollars a year. Of course, he can afford it, but that should not lessen our appreciation of his willingness to make financial sacrifices to remain in public life as a servant of the people.

Because a man is wealthy, he is not, ipso facto, an acquisition to political life. But when a man has been successful in business, he has gained an experience that should prove valuable in any public office. The wealthy business man will usually be a valuable asset to his party and the business of government. Most wealthy, successful business men who go into politics do not achieve striking success. They are valuable men, but they do not usually occupy the same position of leadership politically as they occupy in the sphere of business. The qualities that make a man a successful political leader are not always the same qualities that make a man a captain of industry. But a man does not have to be a leader of his party to be a valuable servant of the state. In a quiet way, he can do a great deal to forward the interests of the country, whether he wins an "honorable" to his name or not.

Canada has gained much from her business men in politics, and it will be a fine thing if Mr. Bennett's willingness to put a government salary before half a dozen directorships, worth much more in dollars and cents, is followed by more leaders in industry and finance who have reached the point where they can turn over much of their business responsibility to younger men coming up.

NOT YET UTOPIA

BACK in the bad old days before women were allowed to vote, it was a frequently reiterated argument of suffragists that the influence of women in politics would be uplifting. The creation of Utopia would be coincident with the granting of the vote.

Women now vote.

Politics is not Utopian.

In New York state, for instance, an investigation is taking place now to discover how public funds were spent when a woman was directing the taking of the state census two years ago.

RESIST TEMPTATION TO SELL

THERE comes a time in the lives of all successful investors when the temptation is to sell some of the best stocks just because there is a handsome profit in them.

Many investors in Canadian institutions are so tempted at present. Stocks have risen to a point where the future is discounted to a considerable degree. The market is ready to take whatever comes. Investors from the United States and elsewhere are eager to pay what appear to be fancy prices.

T. B. Macaulay, president of the Sun Life, reminds the shareholders of that company that the stock probably is worth as much to the seller as to the purchaser. The company is sound and growing. The country in which the company operates is sound and growing. Why sell? It is probable that every sale means a later regret.

The president of another large Canadian institution said a few days ago, in private conversation, that from the viewpoint of his company and from the viewpoint of the investor, it was regrettable that the shares recently had been bid up so rapidly that many shareholders were taking their profits. "The stock is not a dead horse," he added. "It probably will continue to go ahead. It is regrettable to see familiar names disappearing from our shareholders' list, and see, in their stead, the names of brokers. This means that a new speculative interest has been created which is not so much to the interest of the company as the fact that the stock is considered a high-grade investment stock."

"I am trying to forget that I own any shares in International Nickel," said another investor a few days after he had revealed that he had more than 40 points profit on his Nickel shares.

These three statements, coming from individuals of almost equal prominence in the financial and industrial life of Canada, should serve to emphasize the belief that, in many respects, Canadian investments now are as good as ever they have been, and that the rise in values is not a sign to sell. The rise in value is merely confirmation of the wisdom which first led the investor to prepare himself for the temptation to sell.

A TAXPAYER ESCAPES

THE Buffalo-Fort Erie Peace bridge which the Prince of Wales opened last August is owned by a private corporation, according to the dictum of the Ontario Railway and Municipal Board, which was asked to declare the structure exempt from taxation. But the village of Fort Erie, which is the Canadian terminus of the bridge, and which has spent much money for pavements, sewers and traffic direction in order to facilitate bridge traffic, will not be permitted to tax any portion of the structure outside the shoreline of the Niagara river.

Here is a stretch of valuable, revenue-producing property between the shoreline and the International boundary which evidently is to escape municipal taxation, for this year at least. Fort Erie is the nearest municipality to the International boundary. It is said that that portion of the bridge between the shoreline and the boundary line cost $1,280,000, which means quite a loss in revenue to the village, and quite a saving in expense to the bridge company.

Fort Erie seems to have been of the opinion that its Eastern boundary was the International boundary, but the maps exhibited to the railway board do not so indicate. Fort Erie was carved out of Bertie township in 1857. Did Bertie township retain the river bed within its jurisdiction at that time? Will it now be able to tax a property which is segregated from the rest of the township, or will legislature or county authority be asked hastily to amend and extend the Eastern boundary of Fort Erie?

The bridge company may chuckle with glee at the thought of its victory over the local authorities, but one fancies that taxes are inevitable even so near to the land of Coolidge and Mellon.

MORE APPARENT THAN REAL

THE minister of overseas trade in the Baldwin cabinet, the Hon. A. M. Samuel, declares that the system of instalment buying which has made such progress in the United States is possible because the residents of that country have wealth to burn, but that it is a menace and a danger in Great Britain. The Briton has not so much wealth as the American. Instalment buying, for this and other reasons, is characterized as a drug to trade which will bring dire consequences when the next depression comes along.

There are two schools of thought regarding instalment buying and probably there will be a wide divergence of opinion until such time as instalment buying is definitely proven a success or a failure. But it is wondered if the credit situation, taking commerce as a whole, is so very much different than it was twenty years ago.

Twenty years ago nearly everyone had an account at the grocer's. Now nearly everyone pays cash and carries the edibles home. Twenty years ago, the few automobiles on the road were paid for in cash at the time of purchase; now four out of five are bought on credit. Twenty years ago there was much furniture bought on credit and there is much bought on credit to-day. The difference lies in the fact that the furniture dealer's customer now signs a lien note and contracts to pay regularly, whereas in the old days it was the custom to pay spasmodically, and perhaps not at all.

Certainly it is better business to pay cash for food and to charge goods which are not consumed immediately. It is doubtless regrettable that the income of the majority of wage-earners is mortgaged a year or two ahead, but the situation may not be any worse now than in former times, before it was the custom to have the debt formally acknowledged.

GAINS THIS YEAR

ONE of the mysteries concerns the propensity of inexperienced investors to buy stocks of very dubious merit. The Financial Post constantly is being asked whether or not Consolidated Flytrap and Imperial Whatnots are safe for the investors' money. An effective flytrap may be all right and whatnots may come back into style. But why should an investor bother with such stocks when there are a dozen or more standard common stocks with records of many years' earnings? It is a mystery understood only by the salesman of poor stocks.

Canada Cement, Steel Company of Canada and City Dairy often have been recommended as purchases for persons who apparently are more inclined to take long chances with any proposition that is placed before them. In the week ended last January 4—just 10½ months ago—Canada Cement was selling at $132, Steel Company of Canada at $119, and City Dairy at $79. At present, Cement is worth $247, Steel Company of Canada is selling at $170 and City Dairy at $188. The promises of the most mendacious of high-pressure salesmen hardly can equal these gains.

Good stocks sometimes go wrong. But not often and not often permanently. Promotion enterprises so often fail that the investor should consider commitments in that direction mere gambling with the odds against him.

The standard common stocks usually will gain in value, and they have a high factor of safety.

CITY AND COUNTRY

THE economic problems of the farmer and the city business man are branches of the same root. Fundamentally, their needs are identical; at bottom, the conditions that worry one, worry the other as well. It is when business men and farmers get together that their common interest is brought into clear emphasis.

Different business organizations in Canada, recognizing this, have from time to time brought farm and city leaders together. The mortgage loaning companies invited representatives of Western farmers to their most recent Western meeting. The Border Cities Chamber of Commerce and other Ontario boards of trade have held luncheon meetings with farmers as guests.

Last March, the Saint John, New Brunswick, board of trade invited the farmers of the province to spend a day in the city, discussing the joint problems of the farm and city. The conference was successful beyond all expectations, and, according to F. Maclure Schlanders, commissioner of the Saint John Board of Trade, has been productive of valuable, practical results. A second conference is being held towards the end of this month, and the success of the first conference assures that the forthcoming gathering has possibilities of still greater usefulness.

The Saint John Board of Trade deserves credit for having crystallized the desire for a farm-city get-together into a practical, permanent feature of their activities, and in doing so, they have given a lead which is being followed in other parts of the country.

This is a practical movement toward more helpful co-operation between city and country. As such it is a deserving effort.

MR. BENNETT SHOULD EXPLAIN

LAST February, Hon. R. B. Bennett, the newly-chosen leader of the National Liberal-Conservative party, proposed the refunding of the war debt of Canada on a four per cent. basis with a view to reducing interest charges. As the investment markets will not now absorb Canadian government bonds on a four per cent. basis, he went further and suggested that the large financial institutions of Canada, the banks, loan companies, and insurance companies should be required to take up these bonds as a public duty. The financial institutions would be required to take up these bonds as the different government issues matured, and this would have the effect in time of reducing the rate of interest on government loans from the present 5 and 5½ per cent. to 4 per cent.

Mr. Bennett's proposal would involve a conscription of capital that is entirely unwarranted in times of peace, and which would be exceedingly dangerous even in a grave national emergency. It is not necessary to argue the economics of Mr. Bennett's scheme. They are apparent to the most casual observer in finance, and were thoroughly discussed in The Financial Post at the time Mr. Bennett made his proposal.

Mr. Bennett would be doing himself and his party a service if he would seize the earliest opportunity either to explain his former proposal, if it has been misunderstood, or to dissociate himself from the suggestion that he would support a policy of tampering with the savings of the Canadian people.

RECREATIONAL TRIUMPH

HERETOFORE, says the new Conservative leader, politics has been a sort of recreation. But as soon as feasible, politics will be the sole business of Mr. Bennett.

He has been extraordinarily successful in his recreation and even more successful with his business. When his recreation becomes his business, it is fair to assume that his party will benefit greatly.

EDITORIAL NOTES

PROFITS INVESTORS have made on oil stocks will help lubricate the wheels of their Christmas shopping.

* * *

WHAT HAPPINESS if we knew it really was the Battle of the Century! Then there could not be another one for 77 years.

* * *

MAYBE one reason the British emigrant prefers Australia to Canada is that Australia seriously invites them to come.

* * *

FAKING TO END FAKES is a dangerous principle to be embodied in the ethical structure. It recalls the war to end war.

* * *

WE FELT very much relieved to notice this editorial item in the American Banker, of New York City:

> "It might be well to remark that in the headline which recently read 'Dewey May Be Named to Polish Financial Post,' the word is pronounced 'pole-ish'."

We had seen the headline and it looked ominous. The reassurance of the American Banker is encouraging.

POST-Scripts

OFF in Tokyo the Kokusai Shobo Co., which is the International Book Store, is "longing" for a prompt reply to a letter sent to the publishers of The Financial Post the other day.

The Kokusai Shobo Company wants to include The Post in a catalog it is distributing "into" the public of Japan. It wants a good deal of information, including "postage for sendings for one year."

They also want to know if The Post is carrying in its stock "the complete set of the journal, its beginning to the latest issue, and also its precursor if there has ever been?"

JOHNNY MILES has quit Nova Scotia. The winner of the Boston Marathon is going to live in Hamilton.

The lad, who was congratulated publicly by a Nova Scotia cabinet minister for his "wonderful feat," (which most newspapers carrying the dispatch misprinted as "feet") is to become an exile from his home province.

There is obviously something wrong. The Duncan commission did not go far enough. It should have investigated the status of athletics in the Maritime Provinces.

Hamilton, which is the home of half a dozen or more Olympic champions, does not need Miles as much as Sydney, Nova Scotia, which has been more famous for its long distance coal strikers than for track and field champions.

AS THE oldest company in Canada still in active business, the Hudson's Bay Company probably is more insistent on advertising the year of its birth than is any other business organization. Seldom will one see any advertising matter of the Hudson's Bay Company without noting that it was incorporated on the 2nd of May, 1670.

The company has adopted a somewhat novel method of impressing the numerals "1670" on all who have business with the store via the telephone. In both Vancouver and Victoria, B.C., where the company operates department stores, the telephone numbers are 1670. Only an official of the telephone company with a penchant for rapid calculation is likely to be able to tell one how many times per day a department store is summoned on the telephone.

The Financial Post has it on the authority of R. Watson, editor of the Beaver Magazine, that the company attempted to obtain the same telephone numbers in the several other Western cities where it operates stores, but owing to the different telephone systems of numbering in vogue, it was not found practicable except in the two cities of British Columbia.

THE next president of one of Canada's great railroads may be a young man who is now answering train inquiries in the railway station in Canada of a large Canadian city. He has lived on railroad time tables all his life and is now in that ideal position of doing the kind of work that is more than bread and butter to him.

This young man played with toy trains when he was a baby. As soon as he was old enough to read he began to study time tables. Every time a time table was left around it disappeared; the boy got it. His friends, traveling, found that they had no peace if they did not bring home time tables from every station and hotel rack. Before he was twelve the boy could tell the time of departure of any train leaving any important city in Canada; he could route a passenger across the country, tell him where he would have to transfer, how long he would have for lunch and so on. Whenever the boy's mother cleaned out his cupboard she had scores of old time tables to dispose of. When she made his bed she found time tables under the pillow. The boy's friends heard of his flaming hobby and called him for train information instead of calling one of the railway companies. And they always got it.

The boy left school this spring. A friend put in a word with the passenger agent at the big station. The passenger agent, interested, asked the boy to call in and see him. He fired questions the him, the kind of questions excited or nervous passengers ask the man at the information desk. He got correct answers to every question. The boy did not have to look up the time tables. He knew them forwards and backwards. He knew American lines, too. Of course, he got the job.

One thing more than anything else makes him happy. That is when one of the other dispensers of information is sick or takes a day's leave of absence. Then the boy can stay on for an extra shift; he can answer questions from seven in the morning until twelve at night. It is not hard work for him; if he were not studying the time tables at the station he would be doing it at home.

Comments

Remarkable Remarks by Interesting People

Dr. H. M. Tory, President of the University of Alberta: "If I might use a golf phrase, I would say that we need more 'four stroke per hole' men. The great mass of workers in industry can be classed as 'seven strokes per hole' men."

* * *

Keith Morris, special travelling correspondent of the Financial Times and The Sphere, of London, Eng.: "British capitalists are more interested in Canadian investments at the present time than they have been for many years. The Empire Mining and Metallurgical Congress which was held here in the summer did a lot of good in arousing the delegates from overseas to an interest in mining prospects in Canada."

* * *

Rt. Hon. Reginald McKenna: "Your nationhood brings with it great responsibilities, and one of the most irksome of these is the participation in public life. This is not always pleasant under our system of democracy, but it is no less a duty on that account.

"You should get a certain number of your young men and train them to become the recognized leaders in your public life. The so-called 'better class' should not leave politics on one side. Politics demands your finest brains. Intelligent, high-class young men of Canada have a real service to render their country through taking part in public life. Only through the rendering of this service can you achieve your destiny of a nation well-governed, mighty, and holding a position in the world second to none."

Other People's Views

The Secret of Success

Halifax Herald: Here is a motto that should be on the walls of every business and industrial establishment in this country:

> "I have never known of a permanently successful corporation whose officers were not good citizens of their own country, and I never expect to see one."

That is the opinion of the head of the greatest transportation system in the world—E. W. Beatty, K.C., president of the C.P.R. It is a business maxim worthy of the ambition of every man, be he the directing genius of a giant organization or the proprietor of a tiny one.

Success consists in holding public confidence. And the only way to hold public confidence to-day, is to deserve it.

As Others See Us

Tribute to Mr. Robb

Brantford Expositor—In a recent issue The Financial Post, of Toronto, paid a fine tribute to the Hon. James A. Robb, finance minister of Canada. . . . It is certainly a fine tribute to the finance minister. He had an exceedingly difficult task to perform. In the first place, he took up the work laid down by the Rt. Hon. W. S. Fielding, one of the most capable and trusted finance ministers that Canada has had in its history, and, in the second place, he came to the office during a time of depression, when the Dominion was suffering severely from the effects of the Great War, when it was burdened with an unprecedented load of debt, when taxation in many forms was burdensome to the people, and when there were loud complainings all over the Dominion because of these conditions. In spite of them all the finance minister has piloted the country successfully through a period of depression, has lightened the load of taxation, made tariff adjustments that have proved to be popular and in the interests of individual progress, and has made considerable headway in the reduction of the national debt. The secret of Mr. Robb's success has been that the country learned to trust his rugged honesty implicitly. He made no pretence that he possessed any spectacular qualities of leadership. He was a good public speaker, and presented his budgets in clear and convincing fashion. Above all, he is intensely human, and possesses, to a high degree, the common touch which brings him very close to the people of the country. In this respect he has been an enormous asset to Prime Minister King in the difficult task of governing Canada.

Book Reviews

Preparation of Pelts

There are thousands of trappers in Canada and all of them are engaged at one time or another during the winter season in taking the pelts of wild furbearers. There is hardly a farm, village or a town in Canada that has not got its trapper or fur trader. Millions of dollars are distributed each year among these persons as a result of the disposal of Canada's annual raw fur catch. Last year it had a value of $15,072,244. A very considerable increase in the yearly value would be made possible were proper methods of pelt handling more widely known.

Too many trappers think that once they have taken a skin nothing else remains to be done. Amateur and farmer trappers who form more than half of the trapping fraternity are the chief losers through this lack of knowledge in the handling of raw pelts, as poorly prepared pelts bring much lower prices than those which have been properly prepared. Leading fur authorities have stressed the fact that in many cases up to one-half of the pelts coming to the raw fur markets fall into the unprofitable class, and that every year there is a tremendous loss in pelt values that could be prevented. The loss, however, is not confined to the careless trappers, but affects the whole fur industry and lowers the value of both the raw and finished product.

With a view to improving this condition and making possible a wider knowledge of the essentials necessary to the proper skinning, stretching and drying of raw pelts, a monograph entitled "The Preparation of Pelts for the Market" has been prepared by the Department of the Interior. This monograph will be sent free of charge on request to the Director, Natural Resources Intelligence Service, Department of the Interior, Ottawa.

"Stop Me If You've Heard This One"

Donald, who was very fond of a dram, and sometimes took too much, met his minister one morning, who hailed him:

"Good morning, Donald. I was greatly surprised and delighted to see you at the prayer meeting on Wednesday."

"So that's where I was!" replied Donald.

Canada is Yet Unconvinced It Needs St. Lawrence Canal

An Editorial in The Christian Science Monitor, Boston.

Certain states bordering on the Great Lakes, and others adjacent to these, have a deep interest in the proposed improvement of the St. Lawrence River, to complete the deep waterway through from the ocean to the head of the lakes. According to Mr. Phillips, the United States Minister to Canada, speaking in Toronto recently, the people of twenty-two states want the outlet to the sea.

In view of the vast resources in the north-west of the Dominion still to be opened to development, Mr. Phillips said, the people of the United States have thought it likely that Canada would have a similar interest in this great project. For that reason, the Administration at Washington has asked the Dominion to consider the making of a treaty under which the international deep waterway may be built.

In the city of Toronto, and generally throughout the Province of Ontario, Mr. Phillips would find an encouraging interest in the project. Like most of the lake ports on the United States side, Toronto and Hamilton and Port Arthur and Fort William aspire to become ports for ocean shipping. But it is only necessary to look at the map of Canada to see that there is nothing like the United States density of population on the Canadian side. There may be 40,000,000 people in the United States directly interested in the St. Lawrence deep waterway. It is doubtful whether many more than 3,000,000 in Canada are much concerned.

In the city with the largest population, Montreal, there has been very little to encourage action on the part of the Dominion to proceed with the treaty. Elsewhere in the Province of Quebec, although it is probable that the lower St. Lawrence ports would benefit by an increase in the grain shipment over the improved route, public opinion is largely indifferent. The Maritime Provinces would be inclined to regard it as extravagant expenditure, of little or no advantage to Canada. Similar criticism has been voiced in the Canadian West.

Winnipeg might have been expected to show some interest in the project. It would bring ocean shipping within an easy train journey of the prairie metropolis. But the Provinces of Manitoba and Saskatchewan are engrossed in the Hudson Bay Railway experiment, to establish an ocean route through the Hudson Strait. Quite evidently Canada is less interested than the United States, and apparently is waiting for more evidence that the project would be for the general advantage of Canada before engaging to go through with it.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Canadian Bronze

What is your opinion of the stock of the Canadian Bronze Company as an investment?

We believe that the Canadian Bronze Co. stock would be a satisfactory investment.

Seagram's

What is your opinion of Seagram's?

There doesn't seem to be any information at hand which would lead to the conclusion that the stock market should place any different valuation on Seagram's.

Vitomen Cereal

Enclose please find circular of Vitomen Cereal, Ltd.

This company has salesmen in town selling shares. Would you advise buying this stock?

All new ventures are speculative.

In the circular which is sent to you as an inducement for you to buy stock in the Vitomen Cereal, Limited, is mentioned the fact that there have been great returns from investment in four companies manufacturing breakfast foods, but nothing is said as to the amount of money that has been lost by investment in companies manufacturing breakfast foods which have not been popularized. It does not require a very long memory to recall scores of breakfast foods which have had their brief hey-day and then disappeared. And there are other scores of breakfast foods which never had even a temporary popularity.

The ideal breakfast food from the viewpoint of the investor is the breakfast food which people will eat. The successful company manufacturing the ideal breakfast food is the company which is well managed, adequately financed, and with manufacturing costs as low as the manufacturing costs of the competing successful breakfast food manufacturer. The company in which you are asked to buy stock has to prove itself on so many points that the investment must be considered highly speculative.

British-American Oil

I should be much obliged if you would let me have your opinion regarding British-American Oil as an investment.

British American Oil is a refining and distributing company which is reported to have made excellent progress in the last season. Investment in this company has been satisfactory from every viewpoint excepting the viewpoint of the investor who desires to know the exact financial position of the company into which he puts his money. This company is one of the oil companies which does not publish its balance sheet.

It is reasonable to expect a continuance of satisfaction from investment in this company.

International Pete.

A short time ago I bought International Petroleum at 33½. It is now down about two points. At the time of purchase I was informed that this stock was expected to advance at any time.

Would you consider it advisable to hold?

International Petroleum is a low cost producer of crude oil in Central and South America. The company is a subsidiary of Imperial Oil Limited, as you doubtless know, is controlled by Standard Oil Company in New Jersey.

Belonging to this successful financial family, it may be assumed that in the long run International Petroleum will be a highly successful investment for all of its holders who are patient. But the immediate outlook is not so satisfactory.

The crude oil situation may not have reached its worst. Earnings of all the oil companies in the producing end of the business are less. International Petroleum probably is no exception, although it is producing perhaps twice the quantity of oil this year that it produced last year at a minimum of additional cost.

Under the circumstances, it would be surprising if the stock advanced materially in the immediate future.

Canada Steamships

Would you kindly advise me if you consider Canada Steamship Lines preferred a good investment, also if the common is good for a hold for appreciation?

We think that Canada Steamship Lines is a company which is certain to improve its position with the continuing prosperity of the country. The preferred stock should be a reasonably good investment and the common has some interesting speculative possibilities.

Sterling Acceptance

I would appreciate your opinion as regards the Sterling Acceptance Corp. bonds or stock that are being offered by Ryerson & Co., Toronto. What do you consider the prospects to be for a company handling automobile papers such as they do? Do you consider it an investment of any merit?

The companies which have been very profitable in the financing of time purchases of automobiles have been companies which have a definite connection with automobile manufacturers and dealers. Companies not so connected, or which are not subsidiaries of automobile manufacturers, are not all in such a fortunate position.

It is suggested that as a general rule investment in some of the sound industrial and public utility companies would bring a higher profit than investments in an acceptance corporation, which may or may not be able to benefit from the propensity of the public to buy automobiles on the instalment plan.

Montreal Power

I hold 100 shares Montreal Power, bought at 72, and 50 Massey Harris common at 39. Would you advise me to hold them for an appreciation? I had thought of selling and buying some other stock that would show a quicker appreciation than these two.

Does Asbestos common or International Nickel look any better than Massey for a hold of say six months?

Montreal Power is one of the premier investments in Canada and its continued rise in value is to be expected. International Nickel may rise more rapidly than some stocks, but its course has not been so consistent. The common stock of the Asbestos Corp. should be satisfactory in view of the fact that the company's position appears to be improving.

The common stock of Massey-Harris Company has had a remarkable rise in the last year and it is possible that its forward movement will be somewhat slow in the immediate future. But before one sells stock in this company, it is well to recall that the company is one of the greatest industrials in Canada and one of the few purely Canadian companies which are carrying on operations profitably throughout the world.

H. Walker and Robt. McNish

As a shareholder in Canadian Industrial Alcohol I am entitled to subscribe for 120 debentures of McNish Company. I should like to invest about $1,000 in some good speculative stock with a good chance of appreciating in value in the next year or two. Which, in your opinion, is the better investment, Hiram Walker or McNish debentures? What would you suggest?

In view of the rights you possess, the 6 per cent., twenty-year debenture stock of Robert McNish and Company, whose par value is $5 a share, stands to yield you 6 2-3 per cent. on your investment. As the stock is redeemable at any time after five years after issue by the company at a premium of 10 per cent. above par, it does not afford a very wide margin of appreciation. The issue, however, is guaranteed by the Canadian Industrial Alcohol, a company enjoying a strong financial position and with a record of sound and successful business management behind it.

The stock of Hiram Walker, Ltd., which is of no par value, is now selling around $58 a share. A dividend of $2 per share has been paid on the stock, and it is stated that this is to be raised to $3. There is also the probability of a merger with the firm of Gooderham and Worts, which would no doubt carry with it valuable rights for holders of Hiram Walker stock. While the dividend paid on this stock is low, there is a chance for appreciation in the event of increased earnings.

Canadian Vickers Limited

Please let me know if you consider Canadian Vickers 7 per cent. preferred, now being offered, a good investment.

Canadian Vickers 7 per cent. cumulative preferred stock, of which an issue of $1,700,000 is now being offered, may be considered an attractive business man's proposition. The company carries on a diversified business, owning and operating a floating dry dock and shipbuilding plant, and is also engaged in the production of industrial and mining machinery, structural steel and aircraft. The plant is situated on the harbor front of the City of Montreal and the company has a lease of this property for a period of 34 years, subject to extension for a further period of 40 years. The annual rent payable, amounts to $7,500, plus an interest in profits, but in no event exceeds a total value of $25,000 per annum.

The company is in receipt of an annual subsidy of $105,000 from the Dominion Government, which it is to receive over a period of 22 years. The net earnings for the company in 1926 after deducting all operating and maintenance charges, were over three times the dividend requirements, amounting to over $369,900.

With the encouragement that the government is giving to aviation and the contracts that the company has secured and is likely to secure in the near future, Canadian Vickers, Ltd., shows every promise of a steady in-

Canadian Pacific

Should I sell C.P.R. at 202 or wait for further advance?

If you bought C.P.R. stock for a market return, you might be well advised to get out at any point when you think the profit is sufficient.

But, if you bought C.P.R. stock as an investment we see no reason for selling at any price. The company is one of the greatest in the world, the earnings are satisfactory and Canada is going ahead rapidly. Under these circumstances, the investment must improve.

Canadian Marconi

I have a small block of shares on the Canadian Marconi Company. Would you please give me the latest quotations on the shares and give me some information on the company? Shall I continue to hold the stock?

The present quotation of the shares of the Canadian Marconi Company is between $1.40 and $1.60 a share. To date, the company has not been successful, but during the last two years its position has been improved.

Sir Joseph Flavelle has just gone on the board of the company. This is the most optimistic bit of news regarding its operations which has appeared for a long time Sir Joseph Flavelle has a long record of successful public financing behind him and we believe that ultimately his interest in the company will make itself seen in improved earnings As your holdings are small, we believe that you would be well advised to place this stock in your safety deposit box for a few years. If the company meets with any success whatsoever, the shares will then have some value,

Canadian Royalties

Canadian Royalties Co. manufacture stationary vending machines. These are sold to individuals for $75 and then leased back to the company for eighteen years. The company places the machines in public places and the proportion of the returns allotted to holders are pooled and distributed to owners of the machines The company guarantees the repurchase of the machines in eighteen years.

I should be glad of your opinion regarding investment in these machines.

We do not think investment in one of the stationery boxes of Canadian Royalties Co., Ltd., would be satisfactory for these reasons:

You do not know that this company will be in business in eighteen years. You do not know if the company will be in a position to fulfil its agreement to repurchase the stationery vending machine from you.

You do not know that the company will be able to place its stationery vending machine in a sufficient number of suitable places to secure adequate returns. You do not know that the public is going to purchase such stationery. The postcard-writing habit is strong.

There are many more satisfactory investments, in our opinion.

Power Corp., etc.

During the rise of stocks, I was unfortunately not in a position to take a hand, but following your advice in The Financial Post "on paper" I have been greatly struck by the huge profits that could have been made. My object in writing you is to ask if, in your opinion, the rise is likely to continue, as I have lately come into a few hundred dollars and should like to increase my capital.

Would you kindly send me a list of four or five stocks—mining or industrial or anything likely to advance. I should probably buy on margin.

The opinion appears to be that as Canada is on the verge of a great growth and expansion, the basic Canadian industries must progress materially in the next ten years. Of course, prices are considerably higher now than they were three years ago, but the market probably will continue to be a selective market. In other words, a number of stocks will advance in price, while others are likely to fall.

It is a good rule to select leading companies in essential and growing industries. Among companies which appear to belong to this class might be mentioned the following:

In the utility class, we would place Power Corporation of Canada and Winnipeg Electric.

In the industrial class, we would place in the forefront, Steel Company of Canada.

In the semi-industrial or mining group, we would place International Nickel.

In the chain store food group, we would place Dominion Stores in the forefront, with Loblaw a fairly close second and Arnold Bros. in the speculative class.

Christie Brown & Co. is making rapid progress and is in a business which is only partially affected by depression.

Laura Secord sells what must be classed as a luxury, but with the country prospering, there is no reason why this company should not continue to prosper with it.

These are only a few of what appear to be sound Canadian stocks. There are many others.

International Nickel

What is your opinion of International Nickel and Wright-Hargreaves as speculations?

There have been some rather wide fluctuations in International Nickel, but we do not think that anyone is in a position to say whether or not the stock can be purchased more cheaply later on than at present. The long term outlook for this stock is exceptionally bright, and there are many purchasers at around present levels who believe that they will make money by holding on.

Wright-Hargreaves is one of the leading Canadian mines and our opinion there can hardly be a more satisfactory mining speculation.

When Women Invest

Widow with $5,000 to Invest — Should All be Put Into Bonds? — Advice That Portion Go Into Sound Stocks

A Weekly Feature.

My sister recently lost her husband and she has been benefited financially by his insurance.

She has approached me regarding a safe investment for about $5,000.

Will you kindly suggest two or three safe investments, stating income?

What is your opinion of Quebec Power or Shawinigan, or would you advise such investment?

The following might be considered a reasonably safe investment for a widow with $5,000.

$1,000 in government bonds to yield approximately 4½ per cent., which would give her an income of $45.

Yield is $185

$1,080 in preferred stocks; for instance, 5 Massey Harris and 5 Winnipeg Electric, each of which would give her $35 income.

$3,000 approximately in common stocks of sound utility and industrial companies.

For instance, the following might be suggested:

5 shares of Montreal Power Consolidated at a cost of approximately $920 to give her an income of $10.

5 shares of Shawinigan Water and Power at a cost of $850 to give her an income of $10.

5 shares of Laura Secord preferred at a cost of approximately $670 to give her a yield of $35 per annum.

5 shares of F. N. Burt Company at a cost of approximately $340 to give her a yield of approximately $15. This would give her a total yield under present rates of $185.

For Appreciation

We are aware that most authorities would not suggest the investment of a widow's capital in common stocks. In fact, if she were to communicate with some of the bond houses, they would strongly urge her to put her entire capital into bonds. But no investment of $5,000 immediately is likely to give her sufficient income on which to live. Putting her capital into bonds exclusively would preclude the possibility of the capital appreciating materially, or the income increasing.

We are suggesting, therefore, that she put $1,000 into government bonds, or into the bonds of the Canadian National Railways which are guaranteed by the government.

The two preferred stocks we suggest are, in our opinion, entirely sound. Another preferred stock of great merit in its class, which might be substituted for one or other of these, is the preferred stock of City Dairy, Toronto.

Both Montreal Power and Shawinigan are utilities which have shown continuous growth and it is fair to assume that they will continue to grow with the territories which they serve. These stocks undoubtedly are as safe as many industrial bonds. In addition, they have the attraction that ultimately the return on the capital is likely to be considerably higher than the return on a similar amount of capital invested in bonds.

Of more speculative character is the preferred stock of Laura Secord, which is convertible into common on the basis of three shares of common for one preferred, and the common stock of the F. N. Burt company. These are industrial companies which have good records, and there is no reason to anticipate that they will not continue to do well.

However, if a greater degree of conservatism is deemed desirable, we would suggest that the money allocated to these two stocks be put into the stock of Consumers' Gas Co., of Toronto. No one ever has made a mistake by investing in Consumers Gas Co. of Toronto.

Women and Bank Stocks

I have a small investment of about $2,000 which I would like to make in some sound paying stocks and would thank you to let me have your advice as to what you would consider would be best; also what you might think of any of the following:

Hamilton Dairies.
Bank stocks at present prices.
Imperial Oil.
Commercial Stocks.
Noranda and Teck Hughes.

We do not think that a woman should buy any considerable amount of bank stocks. There are some authorities who consider the present prices high, but we are not certain that they ever will be lower. It depends a good deal, of course, on the general prosperity of the country. Apparently Canada will go ahead rapidly for the next several years.

Hamilton Dairies is apparently a reasonably good industrial investment. The company is well managed, it sells an essential product, in a community which is growing and prosperous.

Noranda is the most spectacular of the mining speculations. Investment in it should be satisfactory, but, of course, it should be remembered that mining investments always are speculative.

Teck Hughes is a producing mine and must be considered one of the leaders in Canada. It has risen in price rather rapidly in recent weeks, and it is possible, of course, that there may not be a further upward movement for some time.

When women buy stocks, it is, perhaps, advisable for them to adhere to the standard common stocks, such as, Canadian Pacific Railway, Montreal Light, Heat and Power, Shawinigan Water and Power, Consumers' Gas Co. of Toronto, and Bell Telephone Co. of Canada.

A recent summary of the dairy industry in Western Canada shows that the Provinces of Alberta, Saskatchewan and Manitoba now account for nearly 30 per cent. of the butter output of the Dominion.

United Amusement Corporation Limited

6% First Mortgage Bonds, Series "A"

United Amusement Corporation is one of the principal exhibitors of motion pictures in Canada, at present operating twelve modern theatres in the City of Montreal, with a total seating capacity of 14,400. Its business has been successfully developed during the past nineteen years. A substantial interest in the Company is owned by Famous Players Canadian Corporation, Limited.

Assets (consisting principally of land, buildings and equipment) are valued at $2,625,251, as against $1,500,000 of Bonds. Earnings available for bond interest, two years ended August 31st, 1925 and 1926, averaged $243,953, or 2.71 times the present annual bond interest requirement. For ten months ended June 30th, 1927, earnings were at an annual rate equivalent to 3.48 times bond interest. Recent and prospective property additions are expected to appreciably increase earnings.

We recommend United Amusement Corporation First Mortgage 6's, due 1942, for investment at 98½ and accrued interest, to yield about 6.15%. The Bonds carry warrants entitling holders to purchase Common Stock at $25, per share up to and including September 1st, 1933.

Write for illustrated circular.

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News of Investment Markets

GENERAL STEEL'S FINANCE PROGRAM OUTSTANDING ONE

Largest Individual Industrial Undertaking in Some Months

One of the largest pieces of industrial financing to take place in Canada since the Massey-Harris deal, occurred this week when Dominion Securities Corp., Drury and Co., and Newman, Sweezey and Co., made a public offering of $9,000,000 first mortgage 6 per cent. bonds, Series A, and $4,500,000, 7 per cent. cumulative preferred stock of General Steel Wares, Ltd., proceeds of which will be used to acquire and provide funds for the acquiring of several important sheet metal companies.

Under this deal, McClary Manufacturing Co., London, Sheet Metal Products Co., of Canada, Toronto, Thos. Davidson Manufacturing Co., MacDonald Manufacturing Co., Toronto, and Happy Thought Foundry Co., Brantford, enter into the new consolidation. All of these concerns are well known to Canadian public, some of them having been in successful operation for fifty years or more.

Dominion-Wide Activity

The properties of these companies are prominently situated in the important business districts in each city, and include plants in Toronto, London, Brantford, Montreal, Winnipeg and Vancouver, having a combined floor area in excess of 50 acres and giving employment to more than 3,300 people. Operated in conjunction with these plants are warehouses and shipping depots in Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Montreal and Saint John, through which the company's products are distributed almost exclusively to the Canadian trade from coast to coast.

It is said that few industries should derive greater benefit from eliminating manufacturing and plant duplication than the sheet metal products business. The employment of separate sales units by the different companies, overhead expense of several executive staffs, manufacture of dies for embossing and stamping, etc., by each concern, are all very important factors in production costs. By the concentration of large scale manufacturing in the locality most favorable for distribution; by co-operation and reduction in sales forces and general overhead expense, the consolidation now effected will probably result in substantial reductions in the general costs of operating the business and thus place the industry as a whole on a more stable basis.

Particulars of the issue follow:

$9,000,000
General Steel Wares, Ltd.
1st Mortgage 6% Sinking Fund Bonds
Series "A"

Dated November 1, 1927.
Due November 1, 1952.

Company—Formed to acquire and operate McClary Manufacturing Co., Sheet Metal Products of Canada, Ltd., Thos. Davidson Mfg. Co., MacDonald Manufacturing Co., and Happy Thought Foundry Co. These companies are all engaged in similar lines of activity, the most important including manufacture of enamel, aluminum, nickel, copper and sheet metal products. They are also manufacturers of stoves of all descriptions.

Capital—
(Upon completion of present financing)

	Authorized	Presently to be outstanding
1st Mtge. bonds (this issue)	$25,000,000	$9,000,000
7% cum. pref. stock ($100 par value) ...	10,000,000	4,500,000
Shares of no par value:		
Management pref. 3, common, 199,997 .	200,000 (shares)	200,000 (shares)

Purpose of Issue—Proceeds will be used to acquire the companies mentioned above.

Assets—As at December 31, 1926, based on balance sheet of five companies and giving effect to present financing, would have been substantially as follows: Fixed assets, $10,249,999; net liquid assets, $7,503,384; sundry assets, $109,303, making net tangible assets of $17,862,686.

Earnings—Based on the operating results of the constituent companies for five years ended December 31, 1926, after giving effect to some of the immediate savings which in the opinion of the management will result from the consolidation, total $1,227,263 average annual. For the year ended December 31, 1926, on the same basis, earnings were $1,328,903.

Security—Specific first mortgage on those portions of the real estate and fixed plant which the company is acquiring as aforesaid and which the directors consider will be required in the operation of the merged enterprise and a floating charge or a charge having the same effect on the balance of real estate and fixed plant which the directors consider should be disposed of by the company for economical operations and a floating charge on the undertaking and other assets.

Sinking Fund—Commencing Nov. 1, 1930, sufficient to retire all of this issue by maturity.

Offer—Dominion Securities Corp., Drury & Co., Newman, Sweezey & Co., at 99½ and accrued interest.

$4,500,000
General Steel Wares, Ltd.
7% Cumulative Preferred Stock

Company—Formed to acquire and operate McClary Manufacturing Co., Sheet Metal Products of Canada, Ltd., Thos. Davidson Mfg. Co., MacDonald Manufacturing Co., and Happy Thought Foundry Co. These companies are all engaged in similar lines of activity, the most important including manufacture of enamel, aluminum, nickel, copper and sheet metal products. They are also important manufacturers of stoves of all descriptions.

Capital—
(Upon completion of present financing)

	Authorized	Presently to be outstanding
1st Mtge. bonds	$25,000,000	$9,000,000
7% cum. pref. stock—$100 par value (this issue)	10,000,000	4,500,000
Shares of no par value:		
Management pref., 3; common, 199,997..	200,000 (shares)	200,000 (shares)

Purpose of Issue—Proceeds will be used to acquire the companies mentioned above.

Assets—As at Dec. 31, 1926, based on balance sheet of five companies and giving effect to present financing, would have been substantially as follows: Fixed assets, $10,249,999; net liquid assets, $7,503,384; sundry assets, $109,303, making net tangible assets of $17,862,686.

Earnings—Based on the operating results of the constituent companies for five years ended Dec. 31, 1926, after giving effect to some of the immediate savings which in the opinion of the management will result from the consolidation, total $1,227,263 average annual. For the year ended Dec. 31, 1926, on the same basis, earnings were $1,328,903.

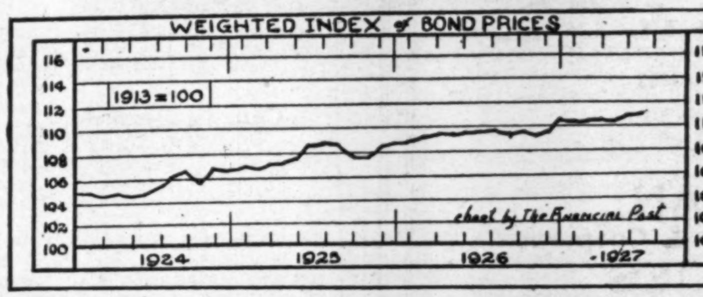
Callable—By call in whole or in part on any dividend rate at the option of the company at $110 per share and accrued dividend on thirty days' prior notice.

Provisions—Holders of preferred shares will not be entitled to vote at meetings as shareholders except when four quarterly dividends are in arrears.

Management Preferred Shares — Entitle holders to elect and remove from office the directors of the company during a period of five years, after which such shares will be automatically converted into common shares.

Offer—Dominion Securities Corp., Drury & Co., and Newman, Sweezey & Co., at 100 and accrued dividend.

BOND VALUES STEADILY INCREASE



Bond prices have advanced from about 105 to 111.5 in the last four years. An unusually large surplus of money available for investment, combined with lower interest rates, has proven beneficial to holders of bonds.

AMERICAN TRUST OFFER PREFERRED STOCK IN CANADA

Follow Principles Found Successful by British Companies

From Our Own Correspondent.

MONTREAL.—An offering of $8,000,000, 6 per cent. cumulative preferred stock of Federal Investment Trust, Inc. is being made by Wiliams. Partridge & Rapley, Ltd., as to Canada, and P. H. Whiting & Co., and the Federal Debenture Co., as to the United States.

The Federal Investment Trust is an American company formed under the principles of a British investment trust. Its underlying securities consist of stocks in 100 United States companies listed on the New York stock exchange, and prominent in the railway, public utility, industrial. chain store or manufacturing groups, as well as the stock of 18 American banks. The object of the trust is to afford to investors of moderate, as well as large means, the advantage of participation in a diversified investment.

The policy of Federal Trust is to hold the securities of these companies as an investment from which a regular income may be derived. As conditions warrant, it will make changes in its holdings and re-invest the proceeds in high-grade securities. It will also participate in the underwritings of new issues of stocks and bonds or other securities which will assure the safe and profitable employment of its capital.

The Trust has apportioned its investments as follows: raliways, 26.69 per cent.; industrial and general, 28.57 per cent.; public utility, 19.44 per cent.; food, 8.70 per cent.; chain stores, 5.86 per cent.; oils, 3.93 per cent.; tobacco, 4.06 per cent.; metals, and mining, 2.75 per cent. The surplus has been invested in the stocks of 18 New York City Banks.

Particulars of the issue follow:

Federal Investment Trust Co.

Capital—

6% cum. pref. stock: 320,000 shares (par value $25 each)	$8,000,000
Common stock: 200,000 shares (par value $10 each)	2,000,000

Company—Designed to give to investors of moderate means, as well as to those of larger means, the advantage of participation in a diversified investment and in underwritings which might not be available to them as individual investors.

Securities Owned—Trust owns securities in 100 companies that are among leading railway, public utility, industrial, chain store and manufacturing organizations, as well as 18 banks, in the United States.

Policy—Will follow the same principles as laid down by the British investment trusts.

Dividend—Will be paid on preferred stock on March 1 and September 1 in each year. First dividend was paid on September 1 last.

Safeguards—Holders of the preferred have first right on the assets of the company, plus a sum equal to 5 per cent. thereof, together with a sum equal to any arrears or deficiency of dividend on such shares.

Warrants—Preferred stock entitles holder, upon surrender thereof at any time before June 30, 1930, to subscribe for one share of common stock at $25 per share in respect to each complete 5 shares of preferred held.

Offer—Williams, Partridge and Rapley, Ltd., in Canada, and P. H. Whiting and Co., and Federal Debenture Co., in the United States, at $25 per share plus accrued dividend.

Royal Broom Co. Makes Public Offer of its Bonds

A small bond issue of $25,000, 7 per cent., 20-year first mortgage bonds of the Royal Broom Company, of Ingersoll, Ont., is being placed on the market by that company.

The bonds are dated October 1, 1927, are in $100 and $500 denominations and are payable at London, Ont.

The company's plant at Ingersoll has been in continuous operation since 1914, and the products of the company are sold throughout the Dominion and are also exported to other countries.

The proceeds from the present financing will be used to purchase automatic broom-making machinery to make brooms of a type not manufactured in Canada, and also to provide additional working capital. The land, buildings and machinery have an appraised value of $40,043.

Estevan Briquetting Works Financed by Winnipeg Firm

A. Norman Strang & Co., of Winnipeg, are offering units of one $100, 7 per cent. preference shares and 10 no par value common shares of the Estevan Briquetting Works, Ltd., at a price of $225 per unit.

This company was recently formed for the purpose of taking over the plant erected and operated some time ago by the Dominion and provincial governments for the purpose of proving the commercial value of the lignite coal deposits around Estevan. The whole proposition was gone into very thoroughly by the government

WINDSOR BREWERY STOCK UNITS SOLD

Detroit Investment Firms to Handle Finances for New Company

An offering of 60,000 units of class A and B common stock of the British American Brewing Co., of Windsor, is being made this week in Canada and the United States by A. G. Ghysels & Co., and Shader, Winckler & Co., both of Detroit.

This company was organized last September for the purpose of taking over as a going concern the plants, business, trade-marks, etc., of a company of the same name which had been in operation since 1882.

Details of the issue follow:

60,000 Units
British American Brewing Co.
Class A and B Common Stock

Company—Incorporated in Sept., 1927, to acquire company of same name. Manufacturers of well-known beer.

Capital—

	Authorized	To be presently outstanding
Class A stock (without par value)	100,000	60,000
Class B stock (without par value)	100,000 (shares)	60,000 (shares)

Property—Brewery has capacity of 100,000 barrels a year, which can be increased at little cost.

Earnings—In six and two-thirds years ended August 31, 1927, after all charges, before sales taxes, show an annual average of $229,609, equal to $3.83 per share on 60,000 shares of Class A stock to be issued.

Assets—Balance sheets shows assets of $1,680,000 with no liabilities other than capital stock. Total current assets are $290,000, of which cash amounts to $140,000.

Dividends—It is the intention to immediately place Class A shares on annual dividend basis of $2.50, payable quarterly beginning February 1, 1928.

Management—Will be in hands of those responsible for success of the predecessor company.

Listing—It is the intention to list these shares on Detroit Stock Exchange and unlisted department of Toronto Stock Exchange.

Offered—A. G. Ghysels and Co., and Shader, Winckler & Co., of Detroit, at $33 per unit, each unit consisting of one class A share and one-half class B share.

Ontario in the Market Again for Long-term Loan

Ontario is advertising a sale of $24,000,000 4½ per cent. instalment serial bonds, proceeds of which will be entirely used for paying off maturing loans.

This issue is in instalment form, $800,000 of principal being repayable each year, the first of which payments will be made on the 1st of November, 1928.

The province has not been in the market for a long-term issue since January last. On that occasion, it sold a thirty-year issue at the then most favorable rate received since the war, and the treasury expects to obtain even cheaper money for the present issue.

The serial issue is in accordance with the general principles laid down by the Debt Retirement Committee and is also pursuant to the policy of the government to positively provide for the retirement of the bonded indebtedness of the province.

Winter Traffic in Alberta

An attempt will be made this winter to demonstrate that, given a good road, automobile traffic can be carried on successfully all year round in Alberta. The Probus Club, a business men's organization of Calgary, has undertaken to keep the highway between Calgary and High River clear of snow during the winter months to stimulate business in the city and encourage motor traffic from country points along this line.

Commonwealth of Australia
External 5% Gold Bonds
Due September 1, 1957
Principal and semi-annual interest (March 1 and September 1) Payable in United States Gold Coin in New York without deduction for any Australian taxes present or future. Coupon bonds in denomination of $1,000.
Not redeemable before September 1, 1947.
The Commonwealth of Australia is an integral part of the British Empire and comparable in importance with the Dominion of Canada. The proceeds of this Loan will be used for developmental and productive public works and for refunding purposes.
The Commonwealth budget is well balanced, ordinary revenues for the fiscal year ended June 30, 1927, showed a surplus over ordinary expenditures, which included $16,110,188 applied from revenue to the redemption of debt.
A circular giving full particulars will be forwarded upon request.
Price 98 and interest, to yield 5.125%
(Subject to prior sale and change in price).
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Limited
Head Office—St. James and St. Peter Streets—Montreal
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251

The
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TELEPHONES MAIN 6184 & 6185

New Issue $2,000,000
MURRAY BAY PAPER COMPANY, LTD.
6½% First Mortgage 20 Year Sinking Fund Gold Bonds.
Dated October 1, 1927.
Due October 1, 1947.
Price: 100 and accrued interest to yield 6½%.
Descriptive Circular on Request
MATTHEWS & COMPANY
LIMITED
255 Bay St. - Investment Bankers - Toronto 2

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
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BRANCH: BELLEVILLE, ONT.

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Kelly Dry-Pure-Juice Corporation owns the exclusive world rights covering the Matzka Process for preserving without the use of preservatives, fruits, vegetables, and all kinds of drink products. Under this process the natural qualities of the fresh fruit are retained.
Write for circular describing the "Class A" Stock of this Company
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Address ....
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Investments
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F. H. BLAKELY & CO.
Corporation Bond Issues
Originated - Under-written
Northern Ontario Bldg., Toronto
Telephone Adelaide 0669

Canada Cement to Issue $41,000,000 Bonds and Pref: 60,000 No Par Stock

Capital Charges Will be Considerably Reduced by the Present Low Rate of Funds — Will Follow Conservative Financial Policy of Predecessor

It is understood that the new Canada Cement financing will take place almost immediately and that capitalization will consist of $20,000,000 twenty year 5½ per cent. first mortgage bonds, $21,000,000 6½ per cent. sinking fund cumulative preference shares and 600,000 common shares of no par value. This capitalization indicates that the business will continue to follow the conservative financial policy that has marked its progress in the past.

The new company appears to have taken advantage of the present easy money situation and is financing upon a favorable basis its 5½ per cent. bonds and 6½ per cent. preferred, compared with the 6 per cent. bonds and 7 per cent. preferred of the old company. The interest and fixed dividend charges of the new company, therefore, will be $2,465,000, compared with bond interest, preferred and common dividend charges of approximately $1,815,000 borne by the old company.

Earnings Are Substantial

It is generally realized that the earnings of the business would have rendered advisable a substantial increase in the common dividend and consequently the new interest and dividend charges compare favorably with those that would have probably been carried shortly by its predecessor. The conservative financing will permit the business to follow its policy of writing off very substantial amounts for depreciation, maintenance, repairs, etc.

The business is in strong strategic position because of the fact that the price of cement in Canada is generally lower than the prices prevailing in adjacent areas in the United States. Although there is a but a small tariff on cement, Canada's imports of it are practically negligible, while, on the other hand, the Canada Cement Co. exports substantial quantities to about twenty-five countries. The fact that the price of cement is lower in Canada than in older countries instead of higher as might have been expected is rather unusual and is a decided benefit in facilitating new construction.

It is understood that the new bonds will be placed on the market almost immediately and will be offered simultaneously in Canada and the United States.

Tenders and By-laws

Oct. 24—Corporation of the town of Greenfield Park—$95,000, 5½% serial bonds. E. J. Allwright, sec.-treas.

Nov. 12, Township of Osnabruck—$7,458, 5%, 20-year debentures. Willis O. Sheets, clerk. (See announcement on page 16).

Oct. 26, City of Salabery de Valleyfield, P.Q.—$50,000, 5 per cent. serial debentures. L. Jos. Boyer, Clerk.

Oct. 25, City of Riviere du Loup, P.Q.—$100,500, 40-year, 5 per cent. debentures. J. Lebel, sec.-treas.

Oct. 25, Town of Jonquieres, P.Q.—$29,000, 30-year, 5½ per cent. bonds. J. M. Lacroix, clerk.

Oct. 24, School Municipality of the Town of Pointe Claire, P.Q.—$50,000, 30-year, 5 per cent. debentures. J. E. Daoust, clerk.

Oct. 31, School Commissioners of the City of Cap de la Madeleine, P.Q.—$120,000, 25-year, 5 per cent. debentures. J. O. Loranger, sec.-treas.

Oct. 31, Municipality of Les Escoumains, P.Q.—$18,000, 5½ per cent. serial bonds. Johnny Boulianne, sec.-treas.

Oct. 26, Province of Ontario—$24,000,000, 5½%, 30-year, serial coupon bonds. J. D. Montieth, treasurer. (See announcement on page 16.)

SASKATCHEWAN

Authorizations Granted by the Local Government Board, from Oct. 1 to Oct. 15, 1927

Lestock Village, S.D. No. 2919, $3,500; Philomath, S.D. No. 1112, $700; Dandy Rose, R.T. Co., $200; South LaFleche, R.T. Co., $1,800; LaFleche, R.T. Co., $600; Bateman Village, $1,200.

Schools—Ratcliffe, No. 4731, $4,500; Nadon, No. 1664, $3,200; Battleford, R.T. Co., $400; Fartown, R.T. Co., Ltd., $850; Village of Fort Qu'Appelle, $1,600.

Debentures Reported Sold

Ridgedale Village, No. 4507, $1,500, 10 years, 5⅝ per cent., Turner & Co., Regina; Verdun, R.T. Co., Ltd., $250, 5 years, 7 per cent., J. Ripley, Kipling; Golden Acre, R.T. Co., $5,600, 15 years, 5½ per cent., Geo. Moorhouse & Co., Regina; Lemberg Village, $1,300, 5 years, 6 per cent., G. Calcott, Lemberg; Lember Village, $3,200, 5 years, 6 per cent., H. J. Kenyon, Lemberg; Krist, No. 2207, $2,500, 10 years, 5½ per cent., Cross & Co., Regina; Hudmore, No. 1205, $3,500, 15 years, 5½ per cent., Turner & Co., Regina; Grand Plains, No. 923, $1,500, 10 years, 5¾ per cent., Wm. Doig, Delisle; Howell, No. 4651, $2,000, 15 years, 5½ per cent., Cross & Co., Regina; Florentine, No. 4388, $1,000, 10 years, 5½ per cent., Regina P. S. Sinking Fund; Gruenthal, No. 4714, $1,200, 10 years, 5½ per cent., Cross & Co., Regina; Gruenthal, No. 4714, $1,500, 3 years, 6½ per cent. Trust Debentures held by L. G. Board; Keyworth, No. 4716, $4,000, 15 years, 5⅝ per cent., Cross & Co., Regina; Blue Heron, No. 4700, $3,000, 15 years, 6 per cent., Turner & Co., Regina; Pretoria, No. 2462, $1,200, 10 years, 5½ per cent., Regina P. S. Sinking Fund; Muenster, R.T. Co., $7,000, 15 years, 6 per cent., Moorhouse & Co., Regina; Fielding, R.T. Co., $500, 5 years, 7 per cent., J. LaFranz, Halbrite; Windthorst, $5,000, 15 years, 5 per cent., Turner & Co., Regina; Strongfield, $3,000, 10 years, 6 per cent., H. J. Birkett & Co., Toronto.

Quebec Dairies Limited Pays Regular Dividend

From Our Own Correspondent

MONTREAL.—Although the operations of the Quebec Dairies Ltd. have necessarily been curtailed by the embargo placed on the shipments of cream to the United States, the business of the company was reported to be in a very satisfactory condition and the regular dividend of 1¾ per cent. payable on the first preferred shares was passed by the directors at the regular meeting held this week. The dividend was declared payable November 1st, to shareholders of record, October 20th.

In view of the fact that the embargo, which went into effect early this summer, has recently been lifted by the United States government, the additions and improvements recently made to the main plant of the company should result in a substantial increase in earnings and enable the company to extend the market for its products both in Canada and across the border.

Opens Office in Galt

Edwin J. Hallett, formerly with Royal Securities Corp., has opened a new investment business in Galt, Ont., under the name of Hallett & Co.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s '55	108	...
Do., 8s '45	107½	...
Buff. Gen. Elec. 1st 5s '39	104¾	...
Bfo. N. & E. Pow. 5s '30	102	104
Lockport L. H. & P. 5½ '54	102½	104

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	97	98
Abitibi P. & P. 6s, 1940	104½	105¼
Algoma Steel 5s 1962	33½	34¼
Alberta Pac. Grain, 6s, 1946	98⅜	99¼
Bell Telephone 5s, 1955	102¼	102⅝
Belgo Can. Paper, 6s, 1943	102	102½
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	85	89
Brompton P. & P. 6s, 1946	99½	101
Burns, P. & Co., 6½s, 1943	103	105
Calgary Brewery 5s, 1942	93½	94⅜
Calgary Power 5s, 1940	93⅛	93¾
Canada Biscuit, 6½s, 1946	102	..
Canada Lt. & Pr. 5s, 1949	93	94
Can. Nor. Power 6s, 1941	101⅝	102½
Can. Paperboard 7s, 1937	98	101
Can. Steamships 5s, 1943	99¼	99¾
Can. Steamships 6s, 1941	100	100½
Can. Steel Foundries, 6s, 1936	105¾	106½
Davies, Wm., 6s, 1942	94	95¼
Dominion Iron 5s, 1939	33	34½
Dominion Pr. and Tr. 5s, 1932	98⅛	98⅞
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price 6s, 1966	105½	106
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100⅝	101⅛
Famous Players 6½s, 1943	100¾	102
Fraser Co. 6s, 1950	100	101
Gatineau Power 5s, 1956	97⅞	98⅜
Gatineau Power 6s, 1941	101	101½
Howard Smith P. & P. 6s, 1941	104	104¾
International Paper 6s, 1941	102½	105
King Edward Hotel 7s, 1944	92	95
Lake Superior P. & P. 6s, 1941	106	106¾
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr., 5½s, 1946	101½	102½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	101¾	102½
Mercury Mills 6½s, 1942	102	103
Mont. L. H. & P. 5s, 1951	100¾	101¼
Mont. Pub. Service 5s, 1942	99⅛	99¾
Nor. Ont. L. & P. 6s, 1946	101¼	102
Nor. West Utilities 7s, 1938	99¾	101½
Nova Scotia Steel 5s, 1959	63	69
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	93	94
Nova Scotia Tram. 7s, 1952	100	101½
Ont. Pulp & Paper 6s, 1931	108¾	110
Ottawa Hull Pr. 6s, 1948	103⅝	104¾
Ottawa L., H. & P. 6s, 1953	104½	105⅜
Ottawa Mont. Pr. 6½s, 1949	104	105
Ottawa Trac. 5½s, 1955	101½	102¼
Ottaw River Pr. 6½s, 1953	102¼	103
Port Alfred P. & P., 6½s, 1943	104	105
Price Bros. 6s, 1943	104½	105¼
Prov. Lt. Pr. 5s, 1946	100¾	101½
Rio Tramways 5s, 1935	96⅜	97
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	97¾	98½
St. Maurice Valley 6s, 1945	100	101
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 6s, 1950	104¾	106
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	99¼	99⅞
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103¾	104¾

Imports Affect Gain of Acadia Sugar Refineries

By Staff Editor.

HALIFAX, N.S.—Increased competition of Cuban manufacturers has made for lower profits this year from Canadian sugar refineries — Acadia Sugar Refining Co. has, like the others, felt the effect of this competition. The imports of manufactured sugar have not attained a very great volume, but the imports set the price at which the manufacturers must sell.

The company's refinery is located at Dartmouth, N.S., opposite Halifax, on deep water. The refinery, which is a modern one in every respect, has a capacity of 1,250,000 pounds of sugar daily. In addition to its Halifax property the company owns a cooperage plant at Moncton, N.B., which it operates in conjunction with a box and barrel factory at Woodside, N.S.

The company was established in 1879 and in April, 1926, was reorganized and its capitalization, which then stood at $2,000,000 preferred shares and $3,000,000 common shares was reduced to $1,500,000 6 per cent. cumulative preferred shares, of a par value of $100 and £1 per share, and £1,500,000 shares of common stock of a par value of $100 and £1 per share. The holders of preferred stock of the old company received 75 per cent. of their holdings in new preferred, and holders of the common received 25 per cent. of their holdings in new common.

The fiscal year of the company ends December 31st, and the annual report appears about January 30th. The last report submitted was for the six month period ending January 31, 1926. This showed net trading profits for the period under review to amount to $298,322 from which $173,848 was deducted for depreciation leaving a net profit of $124,474 which was carried forward to surplus account.

Fixed assets at this date were $5,416,959, current assets $1,564,133, working capital $859,267. The funded debt of the company amounted to $3,250,000, consisting of $2,500,000 6 per cent. 20 year first mortgage sinking fund bonds due July, 1946, and $750,000 7 per cent. 20 year general mortgage sinking fund bonds due July, 1946.

MANITOBA PAPER REQUESTS OTTAWA FOR MORE LAND

Areas Originally Allotted Do Not Contain Enough Pulpwood

OTTAWA.—The Manitoba Paper Co., which has just completed the erection of a 250 ton per day plant at Pine Falls on the Winnipeg river, has applied to the department of interior for further timber limits. When the company was organized the department undertook to set aside for five years an area embracing the territory drained by Lake Winnipeg on its eastern side and northern end. The company was to take wood in this area commencing at the southern end of the limit and working north up to, but not exceeding 6,000,000 cords. The area had never been cruised. No reliable data was in the possession of the government as to the timber resources, but it was thought that these would greatly exceed 6,000,000 cords.

Cruising has now been completed and in the entire area there are not more than four million cords, leaving a shortage of two million cords in the supply which the company requires. In order to make good this shortage the company has appealed to Ottawa. The application will be dealt with by Hon. Charles Stewart, minister of interior, when he returns from the Old Country at the end of the month.

BOND MOVEMENT OF THE WEEK

Week Ending October 18

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge.	6	1956	6.29	88¾	81¼	97⅞	88	96¾	96	96	..
Do.	5	1942	4.90	100	95	103	97	101½	100	101	..
Can. Canners	6	1950	5.96	100	94	100½	96½	..	100	100½	100
Cons. Rubber	6	1946	5.72	103	100	103½	102½	103½	103	103¼	..
Mex. Electric	5	1942	8.23	61½	52	71½	60	71½	71	71½	..
Mex. Power	5	1940	7.64	71	67	80⅛	68⅝	77	..	77½	..
Mont. Trams "A"	5	1955	5.18	95	92½	97¼	94¼	97¼	97	97¼	97
Quebec Rly.	5	1939	4.89	100⅞	96	101	96	..	100¾	101	100¾
Steel of Can.	6	1940	5.25	107½	106	107½	106¼	..	107¼	107¼	..
Wayagamack	6	1951	5.92	100⅝	90	101	97	..	101	101	100¾
War Loan	5	1931	4.45	102.40	100.35	102.00	100.75	102.00	101.85	102.00	101.70
Do.	5	1937	4.45	104.95	102.75	105.90	102.95	105.90	105.70	105.85	105.25
Victory Loan	5½	1927	4.80	102.50	100.15	101.70	99.85	100.15	99.95	100.00	99.90
Do.	5½	1933	4.50	106.35	103.20	105.75	105.25	105.70	105.45	105.70	105.40
Do.	5½	1934	4.89	104.40	102.65	103.90	103.30	103.75	103.60	103.80	103.55
Do.	5½	1937	4.47	109.30	106.70	109.70	106.85	109.95	109.65	109.70	109.35
Do., renewal	5½	1927	4.85	101.95	100.00	100.80	99.90	100.10	99.90	....	....
Do., renewal	5½	1932	4.83	103.90	102.00	103.55	101.85	103.00	102.75	102.80	102.70
Do., refund	5	1928	4.60	96.95	99.85	101.45	99.75	100.40	100.20	100.20	....
Do., refund	4½	1940	4.52	96.95	95.60	100.15	96.50	99.45	99.20	99.75	99.00
Do., refund	5	1943	4.66	102.80	102.30	103.90	102.30	103.95	103.70	103.80	103.60
Do., refund	4½	1944	4.52	97.15	95.70	100.10	96.60	99.65	99.50	99.70	99.30
Do., refund	4½	1946	4.50	96.90	95.65	100.30	96.70	99.65	99.40	100.00	99.50

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Bridgeburg	Oct.	McLeod, Young, Weir & Co.	5%	30-yr.	$175,000	98.276	5.11
New Westminster	Oct.	Bank of Montreal	5%	20-yr.	90,000	99.68	5.03
Scarborough Twp.	Oct.	McLeod, Young, Weir & Co.	5%	5 to 30-yr.	345,812	99.778	...
County of Peel	Oct.	Gairdner & Co.	5%	10 ins.	30,000	100.112	...
Hepburn Sch., Sask.	Oct.	Turner & Co., Regina	5½%	20-yr.	19,000	....	...
Poplar Creek Sch., Sask.	Oct.	McIlrath Lumber Co.	5½%	15-yr.	7,500	....	...
Nipawin Cillage, Sask.	Oct.	Turner & Co.	5⅝%	15-yr.	15,000	....	...
Cudworth Village, Sask.	Oct.	C. C. Cross & Co.	5¾%	15-yr.	11,000	....	...
Town of Wilkie, Sask.	Oct.	Turner & Co.	6%	10-yr.	3,000	....	...
Balcarres Village, Sask.	Oct.	Turner & Co.	5¾%	10-yr.	5,000	....	...
East End Town, Sask.	Oct.	Turner & Co.	6%	10-yr.	3,000	....	...
Sask. Schs. and Phones	Oct.	Various	...	....	48,750	....	...
Regina Public Schools	Oct.	Fry, Mills, Spence & Co.	5%	30-yr.	200,000	100.037	4.99
Montmagny, Que. School	Oct.	Versailles, Vidricaire	5%	Serial	60,000	99.53	5.10

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
General Steel Wares	Oct.	Dom. Securities Corp., Drury & Co., and Newman, Sweezey & Co.	6%	1952	$9,000,000	99½	...
Royal Brown Co.	Oct.	Company	7%	1947	25,000	100	7%
St. Julien Apartment	Oct.	R. P. Clark & Co.	7%	1928-38	380,000	100	7%
Deutsche Rentenbank-Kreditanstalt	Oct.	National Sity and Syndicate	6%	1960	50,000,000	95½	6.32
Stock Issues—							
General Steel Wares	Oct.	Dom. Securities Corp., Drury & Co., and Newman, Sweezey & Co.	7%	Pref.	$4,500,000	100	7%
Estevan Briquetting Works	Oct.	Dayton E. Smith & Co., Winnipeg	... ...	Pref. Com.	3,500 shs. 35,000 no par com. (In units of 1 sh. pref. and 10 shs. com., $225 per unit)	....	..
Brit. American Brewing	Oct.	A. G. Ghysels & Co., and Schader, Winckler & Co., Detroit			Com. "A" and "B" 60,000 units ($33.80 per unit of 1 Class "A" and ½ "B")	....	..

Bonds Called

Port Alfred Pulp and Paper Corp. is calling for redemption on the first day of April, 1928, all of its first mortgage 6½ per cent. sinking fund gold bonds at 104¼ of the principal amount thereof and accrued interest to the first day of April, 1928, payable at any branch of the Royal Bank of Canada, in Canada, or at the holder's option, at the agency of the said bank in the Borough of Manhattan, City of New York, or at the Royal Bank of Canada, London, England.

All of its 6 per cent. first mortgage sinking fund gold bonds, Series B, will be redeemed by the Port Alfred Pulp and Paper Corp., on the first day of April, 1928, at 104¼ of the principal amount thereof and accrued interest, payable at any branch in Canada of the Royal Bank of Canada, or, at the holder's option, at the agency of the said bank in the City of New York, or at the office of the Royal Bank of Canada, London, England.

FOREIGN EXCHANGES

Strength Shown by Sterling and Marks

Canadian funds did not display any unusual activity during the week, the rate ranging from 7-64 to 1-8 premium. Commercial demands by American importers and foreign buyers purchasing through New York, have remained fairly constant, though it is likely that commitments on wheat and other grains in the next week or two may result in further strength of Canadian funds.

Sterling and Marks exhibited unusual strength, the former rising to within a few points of its previous high for several years, while the latter touched a high of 23.92 which compares with a gold shipping point of 24.02.

English securities continue to attract foreign investment funds, hence the rally in sterling, it is believed. In former years when the Bank of England money rate was around 2 and 3 per cent., New York attracted foreign investments. Today the situation is changed, New York rates being low and London rates high.

The rise in German marks is attributed to the transfer to Germany of the proceeds of some large loans recently floated. A further strengthening factor is seen in the improvement of Reich finances. Both the Bank of England and the Federal Reserve Bank have aided the Reichsbank in its programme of rehabilitation, which has not been without its influence on the demand for marks.

Scandinavian rates and some of the continental gold standard currencies, such as guilders also were firm. French francs gained fractionally. Swiss francs came within ¾ of a point of attaining parity a level not seen since early this year.

	High (Discount)	Low	Last Year High (Discount)	Last Year Low
Oct. 13	1-8	1-8	3-64	3-64
Oct. 14	7-64	1-8	3-64	7-64
Oct. 15	7-64	7-64	1-32	5-64
Oct. 17	7-64	7-64	5-64	3-32
Oct. 18	7-64	1-8	5-64	3-32
Oct. 19	1-8	1-8	5-64	3-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Oct. 13	4.86½	3.92⅛	5.46
Oct. 14	4.86 11/16	3.92¼	5.46
Oct. 15	4.86 21/32	3.92¼	5.46⅛
Oct. 17	4.86 9/16	3.92¼	5.46¼
Oct. 18	4.86 11/16	3.92¼	5.46¼
Oct. 19	4.86 13/16	3.92⅜	5.46¼

FOREIGN EXCHANGE

Par		Oct. 12	Oct. 19
13.90	Italian	5.46½	5.46
23.82	German	23.83	23.87
19.30	Belgium	13.92	13.91½
84.85	Japan	46.55	46.50

This Week's Bond Sales

TOWN OF BRIDGEBURG

McLeod, Young, Weir & Co. were awarded an issue of $175,000, Town of Bridgeburg, 5 per cent., 30-year bonds on a bid of 98.276, a cost to the town of 5.11 per cent. The bids were:

McLeod, Young, Weir & Co.	98.27
Manufacturing and Traders Finance, A. E. Ames & Co.	97.50
C. H. Burgess & Co.	97.17

SCARBOROUGH TOWNSHIP

The Township of Scarborough has awarded an issue of $345,813, 5 per cent., 5, 10, 14, 20 and 30-instalment debentures to McLeod, Young, Weir & Co., at 99.778, the money costing the township 5.03 per cent. Following is a list of the bids:

McLeod, Young, Weir & Co.	99.778
A. E. Ames & Co.	99.650
Wood, Gundy & Co.	99.35
Royal Securities Corp.	99.287
Burgess & Co.	99.031

REGINA PUBLIC SCHOOLS

Fry, Mills, Spence & Co. were the successful tenderers for an issue of $200,000, 5 per cent., 30-year bonds of the Regina Public Schools, their price being 100.037, which is equal to a cost basis of 4.999 per cent. The list of bids is as follows:

Fry, Mills, Spence & Co.	100.037
Wood, Gundy & Co.	99.81
A. E. Ames & Co.	99.55
Bell, Gouinlock & Co.	99.05
Burgess & Co.	99.03
McLeod, Young, Weir & Co.	98.79
Royal Securities Corp.	98.78

COUNTY OF PEEL

An issue of $30,000, County of Peel, 5 per cent., 10-instalment debentures, has been awarded to Gairdner & Co. on a bid of 100.112, the money costing the county 4.98 per cent. The bids were:

Gairdner & Co.	100.112
R. A. Daly & Co.	100.06
Fry, Mills, Spence & Co.	100.037
Royal Securities Corp.	99.97
McLeod, Young, Weir & Co.	99.87
A. E. Ames & Co.	99.77
Burgess & Co.	99.71
Wood, Gundy & Co.	99.70
Dyment, Anderson & Co.	99.65
J. L. Graham & Co.	99.35

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CANADIAN BOND FINANCING LOWER

Lack of Federal Loans This Year Affects New Offerings

The September issue of the monthly report of Canadian bond financing, published by Royal Securities Corp., Ltd., includes a comparative summary of new issues offered during the first nine months of 1926 and 1927. The monthly totals are as follows:

	1927	1926
January	$52,678,350	$35,478,046
February	17,326,186	121,688,799
March	27,326,463	28,038,743
April	70,589,321	64,669,163
May	42,700,616	42,595,348
June	78,509,424	59,405,825
July	33,675,183	57,764,464
August	8,276,015	13,499,436
September	79,978,738	90,286,397
	$411,060,296	$513,326,221

In order to account for the decrease of approximately $102,000,000 this year, a further analysis shows that while in 1927 Dominion government and corporation financing were down $105,000,000 and $53,623,533 respectively, the following increases were shown: Provincial issues, $5,982,233; municipals, $4,965,375; railroads, $45,500,000.

The decline in corporation offerings is largely accounted for by the reduction in public utility issues, as is apparent from the following figures:

	9 mos. 1927	9 mos.1926
Industrials—		
Pulp and paper	$66,390,000	$59,671,333
Real estate	9,633,000	5,635,000
Miscellaneous	44,620,000	54,855,000
	$120,643,000	$120,161,333
Public Utilities—		
Telephone Cos.	$10,150,000	Nil
Light and power	35,350,000	$128,950,000
Miscellaneous	20,000,000	Nil
	$65,500,000	$128,950,000
Miscellaneous—		
Including Investment Security, Mortgage and Discount companies, etc.	$12,699,800	$3,355,000
Grand Total	$198,842,800	$252,466,333

Last year light and power financing was greatly increased through the offering of $37,000,000 Duke Price Power 6's, $30,000,000 Montreal Light, Heat and Power 5's, and also the bonds and debentures of Gatineau Power Co, aggregating $37,500,000. Later reports for the current year will show that this has been partly offset by the offering, early in October, of the $35,000,000, 4½ per cent. bonds of Shawinigan Water and Power Company.

Brading's Breweries Plan Doubling Capacity of Plant

It is announced that at the next meeting of the directors of Brading's Breweries plans for doubling the capacity of the plant will be up for approval. At the present time the plant is running to capacity and with the sale of its product showing a continued increase in Ontario and Quebec the extension of the plant will be before the directors' meeting next week.

It is according to an official announcement expected to have the extensions complete for the heavy demand of the product during the summer of 1928.

Brading's shares are listed on the Montreal curb and the company pays a dividend.

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Crofter's Son Has Been Mighty Builder on Three Continents

General "Jack" Stewart, Great Railway Builder, is No Seeker After Publicity, But Has Done Great Things Worth Talking About

By CHARLES L. SHAW.

SEARCH "Who's Who" and you will never find him, and you'll look in vain for him in the picture papers too, but General "Jack" Stewart is still numbered among that distinguished coterie of Canadians deserving the title of empire builder.

"Frozen Face Jack" has never willingly been photographed, nor has he been interviewed, except with extreme reluctance, but he has had his share of fame and his name will live for many years in his native Sutherlandshire, in the Klondike, in the wilds of western Canada, in France and the jungles of West Africa. He has done big things in all those places.

Little Man, But Scotch

He is a little man—this Canadian who has added to the glamor of his country's name on three continents; a little man with a mild, soft voice and while it is forty years since he left his Scottish homeland there is still a strong Gaelic accent in his speech. He is an unobtrusive little man with an abject horror of crowds and publicity and he seems to be always at high tension—a bundle of nerves; and those finely-fashioned nerves furnished the driving force for this remarkable little man and helped him accomplish a score of daring tasks that to less courageous men would have seemed impossible.

You don't find General John W. Stewart getting up in meetings in his home city of Vancouver and saying his say. You don't find him in the running as president of the board of trade. You don't find him mentioned as a candidate for political honors. but it there's a job of staggering proportions to be done somewhere, a job that means competition with the master builders of the world, you are apt to find among the contenders the name of General John W. Stewart. He's a little man physically, but he thrives on big jobs.

Had Most Modest Beginning

Yet Jack Stewart could not have had a more modest beginning. He was born in the little town of Assynt, Sutherlandshire, the son of a poor crofter—a farm hand whose horizon was the grey hills that rolled down to the settlement from all sides. Strange that a boy born in these surroundings should have within a few short years regarded the whole world as his field! There must have been stowed away in his brain a spark that made him very different from his fellow beings in Assynt, for he was a mere youth when he tired of Scotland, borrowed ten shillings from his mother, and set off on the long trail to the land beyond the seas. When the villagers bade him goodbye they little realized that the spare lad of few words would return one day a millionaire to buy the whole countryside from the Duke of Sutherland. Yet that was to actually happen, as though Jack Stewart was a figure out of a fairy book.

Few fairy book characters have had a more adventurous career than Jack Stewart and fortune has served him as constantly as the magic lamp served Aladdin, and yet there are few people so lacking in discernment as to say that luck played a bigger role than nerve and wisdom in the shaping of his destinies.

Becomes Engineer in Montana

Jack Stewart was poor and the son of poor parents, but he was not without education when he arrived in New Quebec, and when after a period as farm laborer he set out for other, more remunerative work his mathematical skill came to his aid. He joined the accounting staff of a railroad construction company. The work appealed to him and he envisioned in it the opportunity he sought—for accomplishment on a grand scale.

He went to Montana at a time when railways were being built to link up the mines and was given a job as a salaried assistant engineer. He took on a sub-contract and did so well that a bigger one was given him and when that was finished a partnership was offered him in the firm of Foley, Larsen & Welch. This firm, with Stewart's name included and Larsen's deleted, was to become one of the biggest factors in the development of the West.

When the construction boom shifted to Western Canada, Stewart followed it and his company took on contracts for building long stretches of transcontinental railroads. At one time his company employed 7,000 men on the Grand Trunk Pacific alone. Soon after that was completed Foley, Welch & Stewart were awarded the contract for building the Pacific Great Eastern Railway, which is now controlled by the British Columbia government. Other big projects were handled simultaneously—roads, bridges, tunnels, buildings—all seemed alike to Stewart's company, now going ahead like wildfire, earning millions for its shareholders, and driven forward under the terrific impetus of the little frozen-faced crofter's son.

Summoned by Lloyd George

Then came the war. The Empire's manpower was mobilized, each man to serve where his ability would count the most. Jack Stewart, from his stamping grounds in Canada's farthest west, was looking as usual for the big job. Finally it came. Lloyd George wanted to see him, and he answered to the call without delay. Lloyd George, then minister of war, told the general of the chaos that existed behind the lines on the western front. He wanted someone to bring order out of chaos. He had picked Jack Stewart for the job. Could he do it?

Well, of course he could do it. It was a very big job, you see, so Stewart accepted without a moment's consideration and during the next few weeks there were some violent goings-on in various governmental departments but gradually a semblance of order emerged, and eventually Jack Stewart's transportation system was regarded as a model for the Allied forces. No one back of the front lines won more credit for his great service than did this Canadian for whom big jobs were life itself.

Off to Gold Coast

After the war what? For Jack Stewart it seemed as though there were no more worlds to conquer. And then the British Government embarked on a tremendous program of development on the Gold Coast—so big, in fact, that the first unit was to cost $17,000,000. It involved the building of wharves and railroads, the creation of an entirely new harbor where before there had been merely a sparkling yellow beach on a swampy coast in the tropics. The big job again! Jack Stewart filed his bid and won, and in a few weeks he was gathering around him a staff of men who had proved their worth as organizers and action-getters in France.

It was a stupendous task but Stewart pitched into it with enthusiasm. It brought him face to face with a hundred and one problems which he had never encountered before—arguing with native chiefs who imagined that he was an exploiter of their country caring for hundreds of workers stricken by disease under the boiling equatorial sun; laying tracks through desert jungle—and innumerable other obstacles.

Soon after the war the crofter's son returned to the town of his birth to realize the ambition that he had retained ever since leaving Scotland in his youth. From the Duke of Sutherland he purchased 50,000 acres, embracing the districts of Stoer, Achmelvich, Inver and Kylesku. The people of the countryside celebrated the transaction with bonfires on the hilltops, with dancing and the skirl of the pipes and toasts to the new proprietor and his wife and family.

And now he's back again on the Pacific Coast, the master mind of Stewart & Welch, railroad contractors. He has a beautiful home on Shaughnessy Heights—incidentally the headquarters of the Prince of Wales and Prince George during their recent visit to Vancouver—and his wife enjoys a leading place in the social life of the B. C. metropolis. He is very rich, knows how to enjoy life and deserves a rest if anyone does, but his boundless energy refuses to let up.

He's still hard at work; still looking for the big job.

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QUEBEC HESITANT ABOUT MODIFYING WORKMEN'S ACT

Taschereau Invites Views of Labor and Industry on Subject

From Our Own Correspondent.

MONTREAL.—A strong plea to the industrialists of Quebec to co-operate with the provincial government in securing a compensation law which would adequately protect Labor and prove satisfactory to both the working man and his employer, was made by the Hon. L. A. Taschereau, Prime Minister of Quebec, speaking before the Quebec Division of the Canadian Manufacturers Association, here.

Labor wished a compensation law similar to that in Ontario, said the Premier, the employers had intimated to the government by "bushels of letters" that they did not want a commission. The insurance companies urged the government to retain the present system, but the rates charged by the companies were from three to five times higher than in the sister province. Quebec, said Premier Taschereau was the first on the continent to enact a law of compensation in favor of Labor. The law originally enacted in 1908, had been copied to some extent by the other provinces.

Rates Handicap Quebec

Amendments had been made to the law in Quebec making it more generous to Labor, but when the last amendment was made two years ago, it was found that the rates asked by the insurance companies under the new law were such as to seriously handicap Quebec as compared with Ontario.

Labor asked for a compensation law similar to that in Ontario administered by a commission, the employers declared in favor of it, but then changed their stand and opposed it. The Premier invited his hearers to co-operate with Labor and come to some understanding so that a law satisfactory to both might be enacted by the legislature at the next session. The government, he said, intended at that time to definitely adopt a law in one form or the other for all time.

Dividends Declared

	Rate	Date	Record
Hiram Walkers	50c.	Dec. 15	Nov. 30
Inter Paper, com.	60c.	Nov. 15	Nov. 1
So. Can. Power, com.	$1	Nov. 15	——
Standard Bank	3%	Nov. 1	Oct. 15
Imperial Bank	3%	Nov. 1	Oct. 15
Penmans, com.	$1	Nov. 15	Nov. 5
Do., pfd.	1½%	Nov. 1	Oct. 21
Christie, Brown, com.	30c.	Nov. 1	Oct. 15
Do., pref.	1¾%	Nov. 1	Oct. 20
Steel of Can., com.	1¾%	Nov. 1	Oct. 7
Do., pref.	1¾%	Nov. 1	Oct. 7
Supertest Pet., pfd. "A"	3½%	Oct. 31	Oct. 15
Do., pfd. "B"	3%	Oct. 31	Oct. 15
Do., com.	25c.+50c.	Oct. 31	Oct. 15
Russell Motor, pfd.	1¾%	Nov. 1	Oct. 14
Mexican L. & Pr. cum. pfd.	3½%	Nov. 21	Oct. 31
Do., 2nd pfd.	2%	Nov. 21	Oct. 31
Ont. Steel, com.	1¼%	Nov. 15	Oct. 31
Do., pfd.	1¾%	Nov. 15	Oct. 31
Inter. Nickel, pfd.	1½%	Nov. 1	Oct. 13
Zimmerknit, pref.	1¾%	Nov. 1	Oct. 25
Hollinger	2%	Nov. 4	Oct. 19
Brazilian, com.	1½%	Dec. 1	Oct. 31
Gosse Pack., pfd.	1¾%	Nov. 1	Oct. 10
Bank of Toronto,	3+1%	Dec. 7	Nov. 15
Bank of Commerce	3+1%	Dec. 1	Nov. 15
Can. Bronze, pfd.	1¾%	Nov. 1	Oct. 21
Wright-Hargreaves	5c.	Nov. 1	Oct. 17
Fairbanks-Morse, pfd.	3%*	Nov. 15	Oct. 31
B. C. Pulp, pfd.	$1.75	Nov. 1	Oct. 15
Para. Oshawa Theat., pfd.	1¾%	Nov. 15	Oct. 31
McIntyre Porc.	5%	Dec. 1	Nov. 1
Muirheads, pfd.	25c.	Nov. 1	Oct. 15
Stanfords, 1st pfd.	1½%	Nov. 1	Oct. 15
Do., 2nd pfd.	1½%	Nov. 1	Oct. 15
Massey-Harris, pfd.	1¾%	Nov. 15	Oct. 29
Royal Bank	3+2%	Dec. 1	Oct. 31

Bond Redemptions

	Rate	Due	Redeem.
Shawinigan "A"	5½%	1950	Dec. 1
Do., "B"	6%	1950	Jan. 1
Do., "C"	6%	1950	Jan. 1
Do., "D"	5½%	1954	Apr. 1
Do., "E"	5%	1955	Apr. 1
Do., Cons. Mtge.	5%	1934	Jan. 1
Ott.-Montreal Power	6½%	1940	Dec. 1
Gatineau Riv. Pr.	6½%	1940	Jan. 2
Port Alfred Pulp "B"	6½%	1943	Apr. 1
Page-Hersey, 1st mtge.	6%	1946	Nov. 1
Provincial Paper	6%	1940	Nov. 1

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*On arrears.

ACADIAN OPTIONS CROWN ACREAGES IN CAPE BRETON

Proposed Pulp Mill Would be Capitalized at $5,000,000

From Our Own Correspondent.

SYDNEY.—James T. Cumming, of New Glasgow, has secured from the provincial government a 60-day option on 300,000 acres of Crown lands in Cape Breton Island, preparatory to the establishment of a sulphite pulp mill on the Straits of Canso.

The amount of capital involved is about $5,000,000 and the men to be employed in the mills and woods will total 850. The area under option includes all the crown lands in the island not already covered by the "Big Lease" of the Oxford Pulp and Paper Company with headquarters at Murray St. Ann, C.B.

Ralph P. Bell, of Halifax, had previously held an option on approximately the same timber limits, but for some reason it was not exercised and expired September 30th.

The activity in timber limits had roused a great deal of interest in Cape Breton and at a recent conference in Halifax, members and others from the island were insistent that if possible its timber resources should be turned into pulp in Cape Breton mills so as to give as much local employment as possible.

The Oxford people have been working at capacity all summer, giving employment to hundreds of men.

BB

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NEW ISSUE

Interlake Transportation Company
Limited

6% Ten-Year First Mortgage Sinking Fund Gold Bonds

Dated 1st September, 1927 *Due 1st September, 1937*

Principal and semi-annual interest (1st March and 1st September) payable at the Bank of Nova Scotia, Toronto, Montreal, Winnipeg. Denominations $1,000 and $500. Coupon bonds with the privilege of registration as to principal only, callable in whole or in part on any interest date at the option of the Company on Thirty Days' notice at 102 and interest.

TRUSTEE: Royal Trust Company, Montreal and Toronto.

BANKERS: Bank of Nova Scotia, Montreal.

OFFICERS—D. H. Mapes, Jr., President; H. B. Smith, Vice-President; C. E. Foran, Secretary.

EARNINGS—The Company has a contract running for five years, estimated by the President to show net earnings equal to over eight times the bond interest.

SECURITY—The bonds are secured by a First Closed Mortgage on the Company's steamship having an appraised value of over twice the bond issue and insured for twice that amount.

SINKING FUND—Provision has been made for the annual redemption of bonds (commencing Sept. 1st, 1928) sufficient to retire the entire issue by maturity.

Price, 99 and interest, yielding about 6.15%.

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LIMITED
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APPROVE SALE OF CAN. CEMENT

Shareholders Are Advised as to Procedure in Disposing of Stock

From Our Own Correspondent.

MONTREAL.—The proposed sale of the Canada Cement Company to the firm of Wood, Gundy & Co. was approved by a majority of the holders of both the preferred and common stock at a special general meeting held in Montreal last Friday. In consequence of their action, F. P. Jones, president of the Canada Cement Company has sent out the following letter to the shareholders, instructing them as to the disposition of their share certificates in order to avail themselves of the offer of the purchasers:

"At the special general meeting of shareholders of your company, held October 14th, a majority of both the preferred and common shares approved the proposed sale and transfer of the assets and undertaking of the company, thus putting themselves and the other shareholders of the company in a position to avail themselves of the offer made by Wood, Gundy & Co., Ltd., to purchase their shares.

"It is, therefore, important in the interests of shareholders, both preferred and common, that their certificates for their shares be deposited with the Montreal Trust Company at once, but in no event later than November 21, 1927.

"It is particularly important that the preferred shareholders do so, as otherwise when the proceeds of the sale of the assets are distributed, they would receive only $100 per share, whereas by depositing their certificates not later than the date above mentioned and thus selling their shares they will receive $125 per share in accordance with the offer of Messrs Wood, Gundy & Co., which has already been communicated to the shareholders.

"It is also important in the interests of the common shareholders that they also deposit their certificates and thus sell their shares before the assets are transferred.

"If you have not already done so, I strongly recommend that without delay you fill in and execute the letter addressed to the Montreal Trust Company, a form of which was sent you with my letter of September 20, 1927, and a further copy of which is enclosed herewith, and send it together with your certificates by registered mail to any office or agency of the Montreal Trust Company in Canada, England, the United States, or France, in the addressed envelope enclosed for that purpose."

JOINS BOND HOUSE

From Our Own Correspondent.

MONTREAL.—The announcement of the addition of a new member to their firm in the person of Emile Vaillancourt, son of J. A. Vaillancourt, president of the Banque Canadienne Nationale, is made by the insurance and bond house of E. J. L'Esperance, Ltd. Mr. Vaillancourt, who is to be in charge of the bond department, is well known as a student of economics, and a writer on Canadian affairs. Mr. Vaillancourt has a reputation as a platform speaker and has lectured at the Universities of Montreal and McGill, also for the Historical Society of Montreal, and the Society of Archaeology and Numismatics. He has received decorations from L'Ecole des Beaux Arts, and is Grand Officer of the Order of the Holy Sepulchre and Officer of the Academy of France.

NEW ISSUES

$13,500,000

General Steel Wares Limited

TO ACQUIRE AND OPERATE

The McClary Manufacturing Company, London
The Sheet Metal Products Company of Canada, Limited, Toronto
The Thos. Davidson Manufacturing Company, Limited, Montreal
Macdonald Manufacturing Company, Limited, Toronto
The Happy Thought Foundry Company, Limited, Brantford

$9,000,000

First Mortgage 6% Sinking Fund Bonds

Series "A"

Dated November 1, 1927. Due November 1, 1952.

Principal and semi-annual interest (May 1 and November 1) payable in lawful money of Canada at any branch in Canada (Yukon Territory excepted) of The Canadian Bank of Commerce, or in United States gold coin of the present standard of weight and fineness at the agency of The Canadian Bank of Commerce in the City of New York, or in sterling at the rate of $4.86⅔ to the pound at the principal office of The Canadian Bank of Commerce in London, England, at the option of the holder.

Redeemable as a whole or in part for Sinking Fund or other purposes on any interest date on sixty days' notice at 105 and accrued interest on or before November 1, 1932; at 104 and accrued interest thereafter and on or before November 1, 1937; at 103 and accrued interest thereafter and on or before November 1, 1942; at 102 and accrued interest thereafter and on or before November 1, 1947; and at 101 and accrued interest thereafter and before maturity.

Coupon bonds registerable as to principal only in denominations of $1,000 and $500.

Trustee: National Trust Company, Limited.

CAPITALIZATION
(Upon completion of present financing)

		Authorized	Presently to be outstanding
First Mortgage Bonds (this issue)		$25,000,000	$9,000,000
7% Cumulative Preferred Stock ($100 par value)		10,000,000	4,500,000
Shares of No Par Value:			
Management Preferred	3	200,000 shares	200,000 shares
Common	199,997		

The Trust Deed securing this issue will provide that the balance of the authorized bonds may be issued in such currencies and such series, and may be payable in such places, mature on such dates, not earlier than November 1, 1952, bear such rates of interest and carry such sinking fund, conversion and redemption provisions as the directors may determine at the time of issue. Such additional bonds may be issued to refund bonds issued under the Trust Deed par for par or against 75% of the cost or fair value, whichever is less, of additional fixed properties or plant acquired by the Company and subjected to a first fixed specific mortgage, hypothec or charge in favor of the trustee provided that net earnings as defined in the Trust Deed before depreciation and federal taxes for the preceding fiscal year, or 12 calendar months preceding the application to issue, have been at least two and one-half times the interest on all bonds outstanding and those proposed to be issued; all of the above as will be more fully set out in the Trust Deed.

The above bonds are offered for sale when, as and if issued and received by us, subject to the approval of all legal proceedings by Messrs. Blake, Lash, Anglin & Cassels, Toronto, and by Messrs. Brown, Montgomery and McMichael, Montreal.

PRICE: 99½ and accrued interest

It is expected that interim certificates or definitive bonds will be ready for delivery on or about November 20, 1927.

Mr. J. C. Newman, who will occupy the position of President of General Steel Wares Limited, has summarized his letter as follows:

PURPOSE OF ISSUE.—These Series "A" Bonds, $4,500,000 Preferred Shares and the No Par Value Shares are being issued to acquire and to provide funds for acquiring the companies mentioned above.

SINKING FUND.—The Trust Deed will provide for an annual cumulative sinking fund for the Series "A" Bonds commencing November 1, 1930, sufficient to retire all of that Series by maturity, either by purchase in the market up to the call price, or by calling bonds drawn by lot.

SECURITY.—In the opinion of Counsel these bonds will be secured by a specific first mortgage on those portions of the real estate and fixed plant which the Company is acquiring as aforesaid and which the directors consider will be required in the operation of the merged enterprise and a floating charge or a charge having the same effect, on the balance of real estate and fixed plant which the directors consider should be disposed of by the Company for economical operations and a floating charge on the undertaking and other assets, all as will be set out in the Trust Deed.

ASSETS.—The assets of General Steel Wares Limited, as at December 31, 1926, based on balance sheets of the five constituent companies and giving effect to the proposed financing would have been substantially as follows:

Fixed Assets consisting of Property, Plant and Equipment	$10,249,999
Net Liquid Assets	7,503,384
Sundry Assets	109,303
NET TANGIBLE ASSETS	$17,862,686

EARNINGS—Based on the operating results of the constituent Companies for five years ended December 31, 1926, after giving effect to some of the immediate savings which in the opinion of the management will result from the consolidation, earnings as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, available for bond interest, Federal taxes, depreciation and dividends, would have been as follows:

Average annual earnings for the five years ended December 31, 1926	$1,227,263
Earnings for the year ended December 31, 1926	$1,328,903
Annual interest charges on this issue	$ 540,000

The management are confident that the above earnings figures will be further increased by the economies resulting from mass production and the elimination of the triplication of Plants, Agencies, Sales Forces, Overhead Expenses, etc.

$4,500,000

7% Cumulative Preferred Stock

(Par Value $100 per share)

The 7% Cumulative Preferred Stock is to be fully paid and non-assessable; preferred as to dividends and assets and entitled to cumulative preferential cash dividends at the rate of 7% per annum payable quarterly 1st February, May, August and November, redeemable by call in whole or in part on any dividend date at the option of the Company at $110 per share and accrued dividend on thirty days' prior notice.

Transfer Agent: National Trust Company, Limited, Toronto and Montreal.

Registrar: The Canadian Bank of Commerce.

CAPITALIZATION
(Upon completion of present financing)

		Authorized	Presently to be outstanding
First Mortgage Bonds		$25,000,000	$9,000,000
7% Cumulative Preferred Stock—$100 par value (this issue)		10,000,000	4,500,000
Shares of No Par Value:			
Management Preferred	3	200,000 shares	200,000 shares
Common	199,997		

The Trust Deed securing the bonds will provide that the balance of the authorized bonds may be issued in such currencies and such series, and may be payable in such places, mature on such dates, not earlier than November 1, 1952, bear such rates of interest and carry such sinking fund, conversion and redemption provisions as the directors may determine at the time of issue. Such additional bonds may be issued to refund bonds issued under the Trust Deed par for par or against 75% of the cost or fair value, whichever is less, of additional fixed properties or plant acquired by the Company and subjected to a first fixed specific mortgage, hypothec or charge in favor of the trustee, provided that net earnings as defined in the Trust Deed before depreciation and federal taxes for the preceding fiscal year, or 12 calendar months preceding the issue, have been at least two and one-half times the interest on all bonds outstanding and those proposed to be issued; all of the above as will be more fully set out in the Trust Deed.

The above shares are offered for sale when, as and if issued and received by us, subject to the approval of all legal proceedings by Messrs. Blake, Lash, Anglin & Cassels, Toronto, and by Messrs. Brown, Montgomery & McMichael, Montreal.

PRICE: 100 and accrued Dividend

Preferred dividend will accrue from November 1, 1927.

It is expected that interim or definitive certificates will be ready for delivery on or about November 20, 1927.

Mr. J. C. Newman, who will occupy the position of President of General Steel Wares Limited, has summarized his letter as follows:

PURPOSE OF ISSUE.—These Preference Shares, $9,000,000 First Mortgage Bonds, Series "A," and the No-Par Value shares are being issued to acquire and to provide funds for acquiring the companies mentioned above.

MANAGEMENT PREFERRED SHARES.—To ensure continuity of policy and management during the early years of the operation of the Company, three management preferred shares are to be issued, which confer upon the majority of the holders thereof the right to elect to and remove from office the directors of the Company during a period of five years, after which period such shares will automatically be converted into common shares. The three management preferred shares will be held—one by a nominee of the bankers, one by a nominee of certain of those interested in the formation of the Company, and the third by the nominee of these two.

PREFERRED STOCK PROVISIONS.—The holders of these Preference Shares will not be entitled to vote at meetings of shareholders, except when four quarterly dividends are in arrears; during such time they will be entitled to equal voting rights with the common shares, share for share, but subject to the rights of the holders of the management preferred shares.

ASSETS.—The assets of General Steel Wares Limited, as at December 31, 1926, based on balance sheets of the five constituent companies, and giving effect to the proposed financing would have been substantially as follows:

Fixed Assets, consisting of Property, Plant and Equipment	$10,249,999
Net Liquid Assets	7,503,384
Sundry Assets	109,303
NET TANGIBLE ASSETS	$17,862,685

EARNINGS.—Based on operating results of the constituent companies for 5 years ended December 31, 1926, after giving effect to some of the immediate savings which in the opinion of the management, will result from the consolidation, earnings as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, would have been as follows:

Average annual earnings for the 5 years ended December 31, 1926, after deducting bond interest and Federal income tax, available for preferred share dividends and depreciation	$637,263
Earnings on the foregoing basis for the year ended December 31, 1926	$738,903
Preferred Share dividend (this issue)	$315,000

In the opinion of the management the above earnings will be further increased by the economies resulting from mass production and the elimination of the triplication of Plants, Agencies, Sales Forces, Overhead Expenses, etc.

THE COMPANY AND ITS BUSINESS.—General Steel Wares Limited, incorporated under laws of the Dominion of Canada, will acquire as going concerns, all plants, properties, equipment and other assets, both fixed and liquid, of the following three well-known Canadian companies:

The McClary Manufacturing Company, London
The Sheet Metal Products Company of Canada, Limited, Toronto
The Thos. Davidson Manufacturing Company, Limited, Montreal

and by stock ownership:
Macdonald Manufacturing Company, Limited, Toronto
The Happy Thought Foundry Company, Limited, Brantford

Each of these enterprises has a successful record over a long period of years, the McClary business dating back to 1847, the Davidson business to 1858 and the Sheet Metal Products business to 1867. All are engaged in similar lines of activity, the most important including the manufacture of such staple and domestic products as enamel, aluminum, nickel, copper and sheet metal kitchen utensils, stove pipes, lanterns, milk cans, eaves trough, plumbing fixtures, tins and pails of all descriptions, metal signs and name plates, shovels, steel sinks and wash basins, ice boxes, refrigerators and a full range of hotel equipment supplies. A most important activity is the production of electric, gas, coal and wood ranges, heating stoves of all descriptions and warm air furnaces, in the manufacture and sale of which The McClary Manufacturing Company has been particularly successful, both in the domestic and export markets. The McClary Manufacturing Company owns and operates the largest stove foundry in the British Empire.

The properties of these companies are prominently situated in important business districts in each city and include plants in Toronto, London, Brantford, Montreal, Winnipeg and Vancouver, having a combined floor area in excess of 50 acres and giving employment to more than 3,300 people. Operated in conjunction with these plants are warehouses and shipping depots in Vancouver, Edmonton, Calgary, Winnipeg, Toronto, Montreal and St. John, N.B., through which the Company's products are distributed almost exclusively to the Canadian trade from coast to coast.

MANAGEMENT.—The principal executive and managing officials of General Steel Wares Limited, have been with one or other of these businesses over a long period of years. Mr. J. C. Newman, who will be President of the Company, has for thirty-four years been connected with The McClary Manufacturing Company. Mr. F. S. Corrigan, Vice-President and General Manager of the new company has for thirty years been connected with The Sheet Metal Products Company of Canada, Limited, and has been largely responsible for that company's growth during recent years. Mr. William S. Gibson, for twenty years with the same company, will be Vice-President in charge of sales in the new Company.

Dominion Securities Corporation, Limited

Drury & Co. Newman, Sweezey & Co., Ltd.

The statements herein have been accepted by us as accurate but are in no event to be construed as representations by us.

ASK BROOKS TO PAY MILLION, QUIT MOTOR COMPANY

New Steam Bus Said to Have Attracted Attention at Cleveland

O. J. Brooks may be forced soon to resign as president of Brooks Steam Motors, according to information originating from the shareholders' committee which has been carrying on open warfare against Brooks for the last six months.

An effort is being made also to compel O. J. Brooks to pay over something like $1,000,000 to the company. So far Mr. Brooks has demurred but it is believed that some sort of settlement between the warring factions will be achieved within a few days.

If Brooks resigns and makes payments to the company which are satisfactory to the shareholders' committee represented by F. W. Wegenast, various civil actions instituted by Mr. Wegenast on behalf of his clients, it is understood, would be withdrawn.

Bring Out Bus

Some success is said to have attended the showing of the new eight cylinder steam bus at the Cleveland Motor Bus Show. According to reports from Cleveland, the bus attracted much attention and some financial interests are reported to have definitely interested themselves with the proposition.

The idea of an eight-cylinder steam bus is an entirely revolutionary project in motordom. The bus was initially assembled only a few days before the International show.

The present negotiations concern only the Canadian company and do not concern whatever rights Brooks may have in connection with his American interests.

Fanny Farmer Stores Show Steady Increase

The sales report of the Fanny Farmer Shops, Inc., for the month of September, shows a monthly increase over 1926 amounting to $22,638. During September, sales amounted to $298,472. as against a similar figure in 1926, of $275,834. For the nine months period, the 1927 sales amount to $2.539,004, which is an increase of $312.861 over the 1926 figure of $2,226,143.

The company is now operating 106 shops and anticipates opening four additional shops before the end of the year.

Peace Bridge Revenue Greater Than Expected

The Peace Bridge between Buffalo and Fort Erie had a gross income of $380,187 for the first four months of its operation. There were 867,030 automobiles, including buses, carrying 3,000,000 persons, between June 1st and October 1st. No foot passengers were permitted until October 17th.

The bridge, with approaches, customs houses, warehouses, etc., will have cost nearly $4,000,000 when the terminal facilities are all completed. Work was started in August, 1925, and the structure was opened to vehicle traffic June 1st.

John W. Van Allen, secretary of the company, states that the earnings have been in excess of expectations. Of course, these four months are the months of heaviest traffic and it can be expected that earnings in winter months will hardly approximate bond interest.

MANITOBA POWER MAY BE INITIAL DIVIDEND STOCK

(Continued from page 1)

Company was producing about 100 tons of paper a day. Under a program of expansion the output is being brought up to the contemplated maximum output of from 250 to 300 tons a day.

In addition to the transmission lines erected to meet the requirements of the paper company. Manitoba Power during the present summer began the construction of a two circuit steel tower 110,000 volt transmission line into Winnipeg. This line is being built to allow the company to fill its contract with the City of Winnipeg. The contract calls for the delivery of 10,000 horsepower in 1928, the amount to be increased to 20,000 horsepower in 1929, and to 30,000 horsepower in 1930. From that time until 1936 the company is called upon to supply the big Western city with 30,000 horsepower a year, after which time it will diminish by 10,000 horsepower a year.

Serves Mining Country

The construction of a 50 mile wood pole transmission line to serve Central Manitoba Mines and other mines in that vicinity was completed by the Manitoba Power Company this summer. Power is now being delivered to this mine under a twenty-year contract. In addition to the Central Manitoba Mines, power demands are being made from the other mining operators in the district and it is anticipated that the power requirements of the mining country will materially increase with the development of the different mines located there.

In view of the increased demands of these customers of the Manitoba Power Company and because the requirements of the Winnipeg Electric Company have materially increased, it can readily be seen that a decided improvement may be anticipated in the earnings of Manitoba Power from now on.

Up to the end of 1926, the Winnipeg Electric Company was its only large customer. Winnipeg Electric owns and operates extensive electric light, power, railway and gas systems in Greater Winnipeg. The demands of the parent company were not, however, of sufficient volume alone to permit Manitoba Power to show very substantial earnings, as a result the annual statement for the fiscal year ending December 31, 1926, which was submitted to shareholders last April showed a net income of only $908.

Gross earnings amounted to some $673,500 from which after deducting $122,200 for operating expenses showed a net operating revenue of some $551,200. Deductions for interest charges and taxes amounted to over $548,900 leaving a net income before deducting depreciation charges of some $14,000 for the company's subsidiary, the Winnipeg River Railway Co.

Issues New Bonds

During the past year the Manitoba Power Company issued $1,500,000 5½ per cent. first mortgage sinking fund gold bonds. The purpose of the issue was to cover the cost of installing the fourth unit to its plant, the construction of the transmission lines to Winnipeg and to the Manitoba mining districts, and for other purposes of the company.

The marked increase in the demand for power is providing sufficient revenue not only to meet the interest on its bonded indebtedness but to warrant the payment of an initial dividend. Everything would indicate that the shareholders of this company may well look forward to a steady increase in the earnings of the company over a term of years.

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DIVIDEND NOTICE

No. 85

Imperial Royalties Company

Will pay monthly dividend of 1⅓% to Preferred Shareholders on October 31st. This is Dividend No. 85, and makes a total of 148% paid to shareholders.

By J. E. Horn

K. H. Kompfe & Co.
Limited
Toronto and London, Ontario

ONTARIO

$24,000,000.00 PROVINCE OF ONTARIO

30 year 4½% Serial Coupon Bonds

The Government of the Province of Ontario will receive tenders up to 12 o'clock noon on Wednesday the 26th day of October, 1927, for:—

$24,000,000 Province of Ontario 4½% Serial Bonds dated the 1st day of November, 1927, maturing in thirty annual instalments of $800,000 each on the 1st day of November in each year, the first instalment becoming due on the 1st day of November, 1928, bearing interest at the rate of 4½% per annum payable half yearly on the 1st of November and the 1st of May, principal and interest payable at holder's option, in gold coin of lawful money of Canada at the office of the Treasurer of Ontario, Toronto; or at the Agents of the Treasurer of Ontario in the Cities of Montreal, Winnipeg, Vancouver, Regina, Halifax, Calgary and St. John, Canada; or in gold coin of the United States of America of the present standard of weight and fineness at the Agents of the Treasurer of Ontario in the City of New York, U.S.A.; or at the Agents of the Treasurer of Ontario in London, England, at the fixed rate of $4.86-2/3 to the pound sterling.

Bonds to be in the denomination of $1,000.00 each with coupons attached and may be registered as to principal only.

Delivery of and full payment for bonds with accrued interest to date of payment to be made in New York funds at the Agents of the Treasurer of Ontario in New York on the 11th day of November, 1927. On receipt of payment, interim bonds will be issued exchangeable for definitive bonds on completion of same by the engravers.

Sealed tenders endorsed "Tenders for Province of Ontario Debentures" should be addressed to the Hon. J. D. Monteith, Treasurer of Ontario, Parliament Buildings, Toronto.

Tenders must be for the whole amount offered and each tender must be accompanied by a marked cheque for $240,000.00 to be applied in the case of the successful tenderer as part payment for the bonds.

The above bonds will be issued under the authority of 17 Geo. V., (Ontario) Chap. 2, and R.S.O. 1914 Chap. 21 and amendments.

The highest or any tender not necessarily accepted.

J. D. MONTEITH,
Treasurer of Ontario.
Toronto, October 20th, 1927.

SOUTHERN CANADA POWER COMPANY

LIMITED

Common Dividend No. 10

A DIVIDEND of One Dollar (1.00) per share on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared, payable November 15th, 1927, to shareholders of record October 31st, 1927.

By order of the Board,
L. C. HASKELL,
Secretary.
Montreal, September 23, 1927.

ZIMMERKNIT, LTD.

Preferred Stock Dividend No. 2

Notice is hereby given that a dividend for the current quarter, at the rate of seven per cent. (7%) per annum, will be paid by cheque on or after November 1st, 1927, to preferred shareholders of record at the close of business on the 25th day of October, 1927.

ZIMMERKNIT, LIMITED.

THE CANADIAN BANK OF COMMERCE

Dividend No. 163

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1927, together with a bonus of one per cent., payable at the Bank and its Branches, on and after Thursday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 14th October, 1927.

Canada Cement Company Limited

PREFERENCE SHAREHOLDERS'

DIVIDEND NO. 71

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) for the three months ending September 30th, 1927, being at the rate of 7% per annum on the paid up Preference Stock of this Company has been declared, and that the same will be paid on the 16th day of November next to Preference Shareholders of record at the close of business October 31st, 1927.

H. L. DOBLE,
Secretary.
Montreal, October 17th, 1927.

The Standard Bank of Canada

Quarterly Dividend Notice No. 148

A Dividend of Three Per Cent. (3) for the three months ending 31st October, 1927, being at the rate of Twelve Per Cent. (12) per annum, has been declared payable on the 1st of November, 1927, to Shareholders of record as at the 15th of October, 1927.

By order of the Board.
N. L. McLEOD,
General Manager.
Toronto, September 21st, 1927.

Gosse Packing Company Limited

DIVIDEND NOTICE

Notice is hereby given that the sixth quarterly dividend of 1¾% has been declared on the Preferred Stock of Gosse Packing Company, Limited payable the first day of November, 1927, to Shareholders of record at the close of business the tenth day of October, 1927.

By order of the Board,
S. K. MURRAY,
Secretary-Treasurer.

The Bank of Toronto

Dividend No. 185

Notice is hereby given that a Dividend of Three per cent. upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, together with a bonus for the year of one per cent., and the same will be payable at the Bank and its branches on and after the first day of December, next, to shareholders of record on the 15th November, 1927.

By Order of the Board,
JOHN R. LAMB,
General Manager.
Toronto, 12th October, 1927.

The Royal Bank of Canada

DIVIDEND No. 161 AND BONUS

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1927, and that the same will be payable at the bank and its branches on and after Thursday the first day of December next, to share holders of record at the close of business on the 31st day of October.

Shares not fully paid on the 31st day of October, 1927, will participate in the bonus rateably to the amounts paid thereon.

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., October 11, 1927.

DEBENTURES FOR SALE

Sealed tenders marked "Tenders for Hoople Creek Drainage Scheme Debentures" will be received by the undersigned up to and including Saturday, Nov. 12th, 1927. The issue is for $74 581.50, 20-year, 5 per cent. debentures authorized by By-law No. 16 of the Township of Osnabruck, County of Stormont, passed Dec. 15th, 1925, approved and validated by the Ontario Railway and Municipal Board, March 17th, 1927. The debentures to be in sums of not less than $50 each and of the kind suitable to the purchaser.

The highest or any tender not necessarily accepted.

Dated at Farran's Point this 30th day of September, 1927.

WILLIS O. SHEETS,
Clerk of Osnabruck.

BUSINESS INTERVIEW WANTED

I would like to meet a Gentleman or group of Gentlemen with a proposition to form a Limited Company for $15,000 payable 10% per month, you to have full control of the Company, appoint your own financial man on a salary. The stock to be 8% dividend stock, and stock redeemable at 110 at any dividend period. This is a real business, and a money maker, there is no opposition in Ontario, and there is more business offered than even the new company will be able to handle four or five times greater. It is no stock selling game, only one man to meet and that is myself, when I can lay all data on the tables, with references of my standing and ability, etc., etc. Please act quick, can give an interview at any time or any place.

BOX 123, THE FINANCIAL POST,
Toronto, Ont.

Brazilian Traction, Light and Power Company, Limited

(Incorporated under the Laws of Canada)

Notice is hereby given that the Board of Directors of this Company has declared a quarterly dividend of one and a half per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st December, 1927, to all shareholders of record on the registers at the close of business on the 31st October, 1927.

Dated at Toronto, Canada, 13th October, 1927.

J. M. SMITH,
Secretary.

Note: The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada.

The London Agents of the Company are the Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C. 2.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

DIVIDEND NOTICE

Massey-Harris Company, Limited

Preference Stock Dividend No. 8

Notice is hereby given that a Dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% cumulative preference stock of the Company.

The above dividend is payable on and after the Fifteenth day of November, 1927, to shareholders of record at the close of business on the Twenty-ninth day of October, 1927.

By order of the Board.
C. N. APPLETON,
Secretary.
Toronto, 17th October, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

McIntyre Porcupine Mines, Ltd.

(No Personal Liability)

DIVIDEND NO. 38

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the Company will be paid on the 1st day of December, 1927, to shareholders of record at the close of business on November 1st, 1927.

By order of the Board,
BALMER NEILLY,
Treasurer.
Dated at Toronto, October 13th, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

Executive Accountant and Auditor

of broad experience wanted for a position in Toronto with great possibilities. Must be an organizer, an efficiency expert and an investigator, able to conduct high-grade constructive audit, plan and supervise work of assistants and report upon facts in a clear and forceful manner. Chartered Accountant preferred. Give references and state fully general education, age, previous business connections, salary received in past.

Box 108, The Financial Post, Toronto

CANNERS FORM PLAN TO ASSIST SALMON TRADE

Increasing Number of Areas Would Help Larger Companies

VANCOOUVER.—Drastic revisions in the fisheries regulations on the Pacific Coast may be asked of the federal government through the department of marine and fisheries in the near future.

Failure of the salmon run this season apparently has convinced both canners and fishermen that streams are being overfished and not sufficiently large numbers of salmon are being allowed to escape the nets and get through to the spawning grounds.

Fishermen Agree

Meetings held recently have resulted in an agreement between canners and fishermen on a policy of curtailment. Two years ago the decision would not have been reached. This year necessity drives and with unusual accord both interests in the industry have said that salmon must be given a better chance to seed the streams for future runs.

It now remains for the industry as a unit to obtain from Ottawa early action on the consideration plan.

British Columbia's coastal fisheries map is divided into three main areas.

Canners raise the objection that present territories are too large and that varying conditions often prevail within a single district, but a restricted fishing order for the whole district applies generally.

A more satisfactory arrangement, some have stated—and in so doing probably have indicated what will be asked of Ottawa—would be to divide the coast into 21 or 22 separate fishing areas. Consideration of control would then be on the following hypothetical basis:

In a specific area there are five canneries. They have a certain capacity. A specific number of seine nets can supply them with all the salmon they will need. Licenses will be issued in that district for that specific number of seine nets and no more. No salmon will be brought from other areas. The smaller district will thus be self-contained. Boundaries will be well defined.

Big Canners Would Benefit

To appreciate the effect of that regulation it must be remembered that to-day if a heavy run of fish occurs in any area the intelligence is quickly spread and more than sufficient nets are set to supply the requirements of canneries in that local area. The fish are carried to more distant canneries and packed.

That situation would be a thing of the past under the new plan favored in the fishing industry.

From the investment standpoint the question immediately arises: What will be the effect of such regulations on companies like B. C. Fish and Gosse Packing?

The answer would seem to be that they stand a better chance to prosper than would the individual canner. Having plants widely distributed in coastal regions of British Columbia they would even up on the season's runs and packs. If the Skeena run is light the Barclay Sound run may be good. They would be assured of a good pack in a good year. In a bad year they would have a better chance.

All companies engaged in the fisheries industry of British Columbia must expect to go through a period of conservative fishing. There had to be an end to the race of recent years which was to see which company could get the most gear in the water and haul out the most fish.

Perhaps the most cheerful light the fishing industry of this coast has seen in recent years is the light of understanding and reason that is guiding both canners and fishermen after this season's unfavorable conditions.

PIG IRON OUTPUT DECLINES SHARPLY

Steel Production Moves in Sympathy With Kindred Product

Production of pig iron in Canada during the past month amounted to 52,470 long tons, a decline of 17 per cent. from the 63,234 tons of the previous month, and 19 per cent. under the 64,187 tons reported for September of a year ago. The decline this month as compared with August was mostly for basic iron, of which the output dropped to 35,609 tons from 45,241 tons; foundry iron also fell off to 11,979 tons from 17,993 tons, and 4,882 tons of malleable iron were produced, whereas none of this grade was made in August.

For the nine months ending September, cumulative production of pig iron totalled 570,414 tons, an increase of 15 per cent. over the 496,876 tons produced in the corresponding period of last year, and 53 per cent. over the 372,960 tons reported for the first nine months of 1925.

Steel Output Also Off

At the same time production of steel ingots and castings in September amounted to 54,250 long tons, a decline of 30 per cent. from the 77,479 tons of August. Production in September last year amounted to 58,837 tons. Basic open hearth steel ingot output fell to 52,010 tons from 74,319 tons in the previous month; direct steel castings dropped to 2,240 tons from 3,160 tons. September's total output was the lowest reported for any month this year.

For the first nine months of the year cumulative production of steel ingots and castings at 674,289 tons showed a gain of 12 per cent. over the 600,542 tons produced during the corresponding period of 1926. This year's output included 641,498 tons of steel ingots and 32,791 tons of direct steel castings.

ONTARIO HAS WIDE MARGIN ON OTHER INDUSTRIAL AREAS

Over Half of Dominion's Invested Capital in Province

Ontario continues to maintain its supremacy as the chief manufacturing province of Canada.

Data compiled by the Dominion Bureau of statistics for the year 1925, shows that 9,386 plants in the province produced goods to the value of $1,527,154,660. This compares with an output of $1,397,873,744 from 9,453 plants in 1924. Of the value of production in 1925, $828,939,668 represents costs of materials and the balance $698,214,992, net value of products.

Automobile Industry Leads

The automobile industry which in 1924 had been exceeded by the flour milling industry again takes first place among the industries of the province with flour mills second, slaughtering and meat packing third, pulp and paper fourth, rubber goods, including footwear, fifth, butter and cheese sixth, and electric light and power plants in seventh place.

Viewed from the point of capital investment the same industries continue to maintain their relative positions, as in 1922, 1923 and 1924, as follows: electric light and power, pulp and paper, agricultural implements and automobiles. The total value of production in the forty leading industries represented 80.3 per cent. of the total value of production in the province.

For purposes of comparison all industries have been divided into nine groups. The vegetable products group again occupies first place in value of production in 1925, whilst the iron and steel group and the wood and paper group now occupy second and third places respectively. In employment, the iron and steel group leads by 98 per cent. over the wood and paper group, with the textile group in third place. In capital investment the miscellaneous group, which includes the production of electric power, leads, with the iron and steel group in second place, and the wood and paper group in third place.

Invested Capital Higher

Statistics relating to the capital investment in the manufacturing industries of Ontario in the year under review are divided under two main heads, namely, fixed capital and working capital. Fixed capital represented 62.7 per cent. of the total investment in 1925 and working capital 37.3 per cent.

Comparing capital investment since 1921, a steady increase is noted: in 1921, the total capital investment amounted to $1,613,486,222, in 1922 it had increased to $1,696,738,996, in 1923 to $1,775,493,340, in 1924 to $1,836,269,551, and in 1925 to $1,925,593,482, being an increase in the five year period of $312,107,260, or an annual average increase of over $62,420,000. Measured by average capital per establishment, it advanced from $172,942 in 1921 to $180,735 in 1922, to $185,935 in 1923, to $194,242 in 1924 and to $205,156 in 1925, an increase in the five year period of $32,214 per establishment or over 18.6 per cent.

Power Attracts Capital

The groups showing the highest capital investment were as follows: miscellaneous, including central electric stations, $406,012,817; iron and steel $394,850,993; wood and paper $369,752,115; and vegetable products $218,015,548. The province of Ontario supplied 50.6 per cent. of the total capital invested in the industries of the Dominion in 1925.

Toronto had no trouble in maintaining its position as the leading manufacturing centre. Hamilton was next in order of importance, followed by Oshawa, Ford City, Kitchener, Port Colborne, London, Ottawa, Niagara Falls and Peterborough. Twenty-five centres had production valued at over $10,000,000 during the year.

September Building Permits Ahead of Same Month 1926

Building permits issued by 63 cities in Canada during September stood at $14,410,212; this was a decline of $15,241,676, or 51.4 per cent., as compared with the exceptionally large total of $29,651,888 reported in August, but it was an increase of $3,362,709, or 30.4 per cent. over the September, 1926, aggregate of $11,047,503. The high aggregate in August was chiefly due to the authorization for several unusually large undertakings in Montreal.

The cumulative total for the first nine months of this year exceeds by nearly $22,000,000 that for the same months in 1926, the previous high level of this record which was commenced in 1920.

Nova Scotia, New Brunswick, Ontario and Manitoba registered increases in the estimated value of building in September as compared with the previous month, Ontario showing the greatest advance of $1,234,133, or 20.8 per cent. Of the declines in the remaining provinces, that in Quebec of $15,842,505 was most pronounced.

As compared with September, 1926, there were gains in New Brunswick, Quebec, Ontario, Manitoba and Alberta, while there were reductions in Nova Scotia, Saskatchewan and British Columbia.

Lethbridge Secures Air Harbor

A license of a public customs air harbor has been granted to the city of Lethbridge, according to an announcement from Col. J. L. Ralston, Minister of National Defence, Ottawa. The Department of National Revenue has concurred in the issue of the customs air harbor license in order to provide facilities for the entry of aircraft from the United States into Southern Alberta.

Lethbridge is the second city in Alberta to take this important step, Edmonton having already obtained a license for a municipal air harbor.

HARVEST MONEY ALLOWS BUSINESS MORE FLEXIBILITY

Makes Possible Adaptation to Rapidly Changing Circumstances

Whatever may be said of others elsewhere, there are few Canadians who are not concerned in the vicissitudes of their country's agriculture, says the monthly review of the Bank of Nova Scotia. Seed-time and harvest are the beating of the pulse of Canada; systole followed by diastole with almost perfect regularity. When that pulse is vigorous, a new strength permeates the whole of the body politic. When it is feeble, national and individual activities of all kinds are impaired.

Why (it may properly be asked) should this be the case? And where does the harvest money go?

Year after year at this season, a billion dollars or more is literally taken out of the ground. It appears within the short space of a few weeks, quickly passes into circulation, and is succeeded in the year following by the gathering of a like amount.

To trace fully the ramifications of its expenditure would be to make an elaborate analysis of our complex economic structure. But a short reflection shows that it is this great source of income, more than any single feature of our life, that keeps the resources of the country liquid, gives flexibility to business, and makes possible that rapid adaptation to changing circumstances, which is the secret of economic progress.

Income Anticipated

The fact is that a great deal of this income has been anticipated and is required to liquidate debts incurred before the harvest. The sowing of the crop itself is largely financed by available credit; credit in the form of mortgage loans for farm purchase and improvement, of short loans for seed grain, of sales on time of implements and tools. These last in their turn involve the provision of credit again; for the maker of farm implements himself becomes a borrower in order to produce them and finance their distribution. But it is not in this field only, broad as it is, that credit is an indispensable accompaniment of agricultural production. The wide range of goods on which the farmer spends his income after harvest are in large measure produced before the crop has ripened, in anticipation of his demand for them.

Factories are busy through the spring and summer — often even through the previous winter—providing against needs of which he is not yet conscious, but which must presently be satisfied. All of these industrial activities, which in turn provide a livelihood for hundreds of thousands of workers in the big cities and industrial towns, are made the basis of other financial commitments which will only be liquidated when the farmer with his billion dollars—more or less—of harvest money comes to market.

Widespread Benefits

Nor is this all. The myriad workers in the factories, who thus depend indirectly for a livelihood upon the crops, provide business in turn for the wholesale and the retail trader. No matter how low these two may keep their inventories, they must still make commitments in advance of actual sale. If the chain of exchanges is unbroken, they will quickly turn over their capital, and their resources will again become liquid. They, too, depend at long range on the harvest for the smooth fulfilment of their plans. If the crop fails, or the produce markets seriously slump, they will be found with unsold stock, to be cleared at unprofitable prices.

Townsman and countryman are sometimes apt to take for granted that their interests are opposed. Superficially, no doubt this is the case. Fundamentally, there is no difference. For, as the harvest income varies, so will they prosper, each in his degree.

Millerd Packing Expand

The Millerd Packing Co. has secured a waterfront lease on Coal Harbor, Vancouver, and will erect a large cold storage and canning plant there this winter. The plant will be in operation next summer, it is said, and will handle fish, vegetables and fruit.

TO
INVESTMENT BROKERS and INVESTORS

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How to "feel" the pulse of the market. When to buy and when to sell. "Gentle art" of hedging. The Dow Theory. Economic function of the classes of Brokers. Convertible securities and the price of stocks.

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has been solved by a Toronto oil man, Mr. Arthur S. Doran. Doran's achievement is the only CASTOR OIL MOTOR OIL that contains nothing but pure vegetable oil and mineral oil.

Any product as outstanding in its field as this must naturally bring highly remunerative returns to all associated with it. The world's oil supply is available for the raw material, and the world's ever-increasing demand is the market for this, the world's supreme lubricant. Fortunes have been made time and again from investments in other companies engaged in marketing oil products that possess none of the extraordinary merits of —

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"TRULY THE WORLD'S FINEST MOTOR OIL"

The Castor-Lube Syndicate has purchased EXCLUSIVELY not only the manufacturing rights for Doranol Castor-Lube but also of other Doran formulae, consisting of Superior Anti-Freeze, Superior Motor Tonic and Doranol Castor Oil Grease. The Toronto plant will be in production on or about Nov. 15th, 1927. Syndicate under temporary management of F. MacLean Smith, as Trustee.

A Limited Offering of Syndicate Units (no personal liability) now offered at
$15.00 per Unit
Each unit exchangeable and redeemable for Twenty-Five (25) shares of a limited company to be formed within ninety (90) days with a capitalization of Two Million (2,000,000) shares of no par value.

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WHY INSURANCE SALES OFTIMES ARE NOT BRISK

Resourceful Agent Will Make Two Policies Out of One

An address by E. J. Walsh, Superintendent of Agencies, Canadian Surety Co., delivered in Toronto at the 7th Annual Convention of the Ontario Fire & Casualty Insurance Agents' Association.

Is Authority on Insurance Subject

As superintendent of agencies for the Canadian Surety Co., E. J. Walsh speaks with authority in this message to casualty and surety agents which was delivered in Toronto before the annual convention of the Ontario Fire & Casualty Agents Association. Mr. Walsh has been connected with his company, or with its parent member in the United States, for some twenty years. As a matter of fact he was practically a pioneer in Canada in his particular line. His suggestions for increased agency production come from many years of hard actual experience in the field.

To-day, insurance is a highly specialized profession. By that I do not mean to infer that all the insurance agents have taken the trouble to study the different classes enough to be reckoned specialists, but I do mean that to be a master of the insurance business requires a study that will make a specialist of the student.

By studying insurance, I don't mean reading odd insurance periodicals or some of the house organs put out by insurance companies for the information of agents; but by a close study of policies and their conditions and by keeping abreast of the changes that are being made in the insurance field. Read everything you can get your hands on dealing with insurance, especially about production methods. Study your manual—subscribe to a good insurance magazine—buy new books on insurance. They'll pay for themselves in new business.

A great many agents think they have pretty well canvassed their town, and that the time for new insurance business occurs only when a new business opens up in their territory.

Leads for new business do not always come from new clients. We sometimes go too far afield. Agents frequently are chasing one another's renewals, but they are not spending enough time in creating new business or selling protection to clients who really need more. Frequently the reason is that they don't understand the cover—they haven't studied it—they haven't analyzed it.

Hold-Up Insurance

Suppose we take the records of the average insurance office and go through them—what do we find? The first card is on a man that has a residence fire policy with us. I wonder if he wouldn't be a good prospect for a residence burglary policy or if he has residence burglary, perhaps we could sell him personal hold-up for himself and his family.

Is he in business—what kind of mercantile insurance should he have? Is he carrying safe burglary, hold-up, public liability, forgery, fidelity plate glass and the rest of the casualty lines, or isn't there an opportunity to sell him some of these lines. Go through the rest of your records and you will probably find there are a lot of clients in there that could stand a little more cultivation which would bring you in added income.

Now, if you are going to check over these clients that you have on your books to see whether you can interest them in additional lines go about it systematically — make up a chart showing the various classes of insurance they carry. You can list across the top of it the different classifications and allow a column for each class. Opposite the name of each of your clients check in black the class of insurance they carry and in red the ones you think they should take on, and see how many of these red ticks you can turn into black.

The next thing to do is to study the needs of a particular client — post yourself on the lines that you think he needs and then go after him. You will get results—good ones too. Quite true, you will be turned down by some but all the time you are advertising yourself and your wares, developing sales resistance and getting better acquainted with your products. Before long you will have ready answers for every available sales resistance argument that is advanced and you will have more confidence in your own judgment and ability.

Another point to remember is that service does not begin and end with the settlement of a claim. You have a responsibility to your client apart from that. It is your duty and responsibility to see that he is properly protected against every risk to which he is exposed.

Liability Insurance

Suppose, for example, a man comes in to you and says, "I just bought a car and I want fire and theft insurance." Are you satisfied to take the fire and theft insurance— thank him and let him go, or do you tell him that his investment in the car is the thing he should protect last? I don't suppose you would be bold enough to say, "I don't want the fire and theft insurance unless you take out public liability too," but certainly you should never let a client take out fire and theft only, and go off and carry a risk himself that may hand him a loss of five or ten thousand dollars, and perhaps take everything he owns in the world and leave both himself and his family with a clean slate as far as possession of this world's goods is concerned. If he can't afford public liability insurance he shouldn't be driving a car, and if he has money for fire and theft he would be better advised to spend it for public liability and property damage insurance, and you should tell him so.

When you send out renewals do you show any special interest in your client or do you just send him a form letter with the policy reading something like this: "fire policy for $1,000 on the contents of your house enclosed herewith. Trusting this is satisfactory. John Lazybones."

This is not the proper treatment to give a client. If you can't deliver the policy and check up on his needs you can, perhaps, telephone him and if you can't do that you can, at least, write him an interesting letter. You should, as the movie men say, "register interest." If a man has enough confidence in you to place his insurance business in your hands, it is your duty to give him your best attention even though an insignificant premium is involved. A fire renewal on the contents of a man's home may be the opening wedge to other lines of insurance. Frequently, unless a client's attention is called to it, he will not think of increasing his insurance, and his agent should attend to it for him. He may have bought a piano or some new furniture, and the existing insurance may not be sufficient.

Fifteen Minutes a Day

You will hold your renewals longer, and your clients will not be disposed to switch their business to the first new agent that comes along if you show your clients that you are giving them your best attention. One reason that new business is slow to increase in some offices is because renewals are carelessly handled. It would be good business to write each client periodically on some line that he isn't carrying. A residence fire renewal suggests other lines on the house.

The insurance business cannot be learned in a day, but fifteen minutes a day will keep you abreast of the changes that are being made, and put you in the fore in insurance circles. If you establish yourself in your community as a man thoroughly versed in and understanding your business, you need never worry about the attacks of reckless competitors or unethical practices because you are the man the public will come to for insurance counsel.

Canadian Experience of British and Foreign Fire Insurance Companies

British	1926	1925	Foreign	1926	1925
Volume of business.	$25.2	$24.0	Volume of business.	$19.9	$20.3
Rate of premium....	8.98	9.61	Rate of premium....	9.17	9.57
Losses	47.06	50.12	Losses	52.57	57.52
Expenses	40.92	40.97	Expenses	37.62	36.87

General results, 1926—A larger volume of business than in 1925, at a lower rate of premium, a lower rate of expense, and at a lower loss ratio.

General results, 1926 — A smaller volume of business than in 1925, at a lower rate of premium, a higher rate of expense, and at a lower loss ratio.

NOTE: These results are on a basis of premiums written; the item volume of business refers to millions of dollars; the rates of premium are calculated per $1,000 of risk; losses and expenses are per $100 of premiums written, the former including losses and adjustment expenses, the latter, general expenses and taxes.

Fire Insurance Business in Canada is Increasing

Canadian Companies Lead in Expansion With British Companies Coming Ahead of Foreign Underwriters

Final figures issued by the superintendent of insurance at Ottawa, regarding fire insurance in Canada, for the year 1926, reveal the fact that at the end of the year, the total amount of business in force amounted to $9,337,699,612. This includes the business of both provincially and Dominion licensed companies—in fact everything but the unlicensed insurer. Comparing this with 1925, there is an increase of business amounting to $539,266,742. The great bulk of this business is of course, carried written by Dominion licensees, only about 16 per cent. or $1,286,255,000 being carried by provincially-licensed companies.

Premiums written during 1926, increased to $58,664,624 as against $56,757,955 for the year 1925, while the lower loss ratio is reflected in the fact that losses incurred, decreased from $30,136,000 in 1925, to $28,768,000 in 1926. The ratio of premiums written to losses incurred, for all fire business in Canada stands at 49 per cent., as against a ratio on all 1925 business, of 53 per cent. The figures for comanies which operate under a Dominion license, shows a loss ratio for 1926, of 49.19 per cent., as compared with a ratio of 52.99 per cent. in 1925, and 58.52 per cent. for the last five years.

194 Companies

The superintendent reports that fire insurance was carried on during 1926, by 194 companies, and that during 1926 and the first half of 1927, the following companies were added to the list of those doing business under a Dominion license: The China Fire Insurance Co.; Federated British Insurance Co.; The State Assurance Co.; American Reserve Insurance Co.; First American Fire Insurance Co.; La Fonciere Insurance Co.; The General Insurance Co. of America; The Pioneer Insurance Co.; National Guaranty Fire Insurance Co.; Sentinel Fire Insurance Co.; The City of New York Insurance Co.; and the Svea Fire & Life Insurance Co.

As far as a distribution of the 1926 fire business is concerned, the report shows the Canadian companies increased their business by $306,327,000 during the year, British companies increased by $587,017,000, and foreign companies by $176,795,000. Of the Canadian companies, four show a decrease in 1926 business which amounts to $3,298,000, while on the other hand, the 37 remaining Canadian companies increased their business by over $309,000,000.

Among the British companies, who make returns to the department, seven show a decrease which amounts to $50,498,000, while the remaining 52 companies increased their business by more than $643,000,000. The foreign companies apparently lost nearly as much business as they gained, for the record shows that 37 companies show a decrease in business amounting to $210,033,000, and on the other side, 51 companies increased their last year's mark by only $386,829,000.

Loss Ratio Varies

Losses, according to the superintendent, were distributed very unevenly among the different companies. The average loss incurred per $1,000 of current risk amounts to $2.89 for Canadian companies; $3.07 for British companies; and $3.76 for the American companies. The highest individual loss ratio was incurred by an American company, whose losses, on the above basis, amounted to $19.09 per $1,000. Only three other companies show losses above the $10 mark, one of which is an American company, and the other two being foreign. The lowest individual loss ratio is credited to an American company which reports a loss of one per cent. per $1,000 of current risk.

The superintendent has made an interesting survey of the business written in Canada by foreign and by British companies, which is summarized in tabular form by The Financial Post. Unfortunately, the experience of Canadian fire insurance companies, is not segregated, so as to show similar results for purposes of comparison. In the case of Canadian companies, both their foreign and domestic business is tabulated together. No separation of expenses is made as between their fire business both here and elsewhere, and between marine business, and business in other branches. However, a distribution of the fire business of Canadian companies, both here and elsewhere, shows that the loss rate for the home business was on the whole more unfavorable to the companies than the foreign business.

Tariff, Non-Tariff Casualty Concerns To Meet as Allies

A special meeting of all the automobile insurance companies has been called in Toronto, for November 1st. The meeting will be held under the auspices of the Canadian Automobile Underwriters' Association, but will include representatives from both tariff and non-tariff companies. The primary purpose of the meeting will be to discuss the question of membership in the tariff association.

As announced in The Financial Post in September, several non-tariff companies made a provisional application during the summer for membership in the association, on the basis of three conditions which centred around the question of bringing a majority of the companies into the association, and also around the major problems of commissions and rates. Since then, additional companies have signified their willingness to enter the association under these conditions, so that there seems to be every prospect that the year 1927-28 will see an increased membership among the tariff underwriters.

Strengthen Association

It is understood that most of the larger companies have been approached individually on the matter, and the November meeting will bring the various automobile underwriters into a roundtable discussion as to the possibilities of strengthening the tariff association for the coming year. At the present time the companies in the tariff association transact less than 50 per cent. of the total automobile business written in Canada.

Following immediately after this special meeting, there will also be held the annual meeting of the Canadian Automobile Underwriters' Association. The experience of the member companies during the past year will be discussed, and plans, rates and policies for 1927-28 will be agreed upon. One of the special subjects that will be under consideration this year will be report of a committee appointed early in the year to investigate the whole question of compulsory automobile insurance as applied to insurance companies writing business in Canada. This report has been in course of preparation for several months, and its publication is expected to be of definite value in assisting the Canadian provinces to solve this controversial question.

Great West Life Co. Announces Staff Changes

Important staff changes in the Great-West Life Assurance Co. are announced this week. Four of the company's leading officials have retired, with the result that eight new appointments have been made by the management.

A. Jardine, who has been secretary of the company since its inception, and who has been assistant general manager since 1912, is retiring. On Mr. Jardine's retirement, the duties of assistant general manager will be assumed by A. J. D. Morgan, who now holds the position of comptroller in the company. The position of secretary will be filled by Eustace A. Brock, who is now assistant secretary.

The other three retirements concern branch managers. C. P. McQueen, the manager of the Alberta branch office, will retire on December 31, but will continue to serve the company as advisory supervisor of the Western Provinces. J. A. Johnson, manager of the Vancouver branch office, and G. Wetmore Merritt, manager of the New Brunswick branch office, are also retiring.

New appointments are as follows: M. H. Bingeman will become agency secretary; F. N. Ballard, now district manager for Southern Alberta, will become Vancouver branch manager; N. White, now district manager for Northern Alberta, will become branch manager for Alberta; A. H. McLeod, now assistant superintendent of the Central division, will become branch manager for New Brunswick; J. H. Wright, now district manager for Southern Saskatchewan, will assume the duties of manager of Northern Alberta; C. F. Dunfee, now city manager for Regina and Moose Jaw, will assume the district managership of Southern Saskatchewan.

Insurance Institute of Toronto Opens Season

The 29th session of the Insurance Institute of Toronto will open October 27, when R. L. Stailing, of the Sun insurance office, will deliver his inaugural presidential address, and Canon H. J. Cody, of Toronto, will deliver an address on "The Strength and Weakness of Our Confederation."

Other speakers during the year will be W. R. Houghton, of the London and Lancashire Insurance Co., on the tobacco industry in Canada; R. H. Towner, president of the Towner Rating Bureau, New York, on contract bond underwriting; A. N. MacTavish, actuary, Dominion Life Assurance Co., government statements and analysis of life assurance accounts; W. A. Thompson manager of the Norwich Union Fire Insurance Society, on economies of insurance; and lastly, J. G. Beatty, assistant actuary, Canada Life Assurance Co., on the development of retirement plans.

The officers of the institute are Hon. Pres. T. A. Dark; President R. L. Stailing; Vice-president V. Evan Gray; Secretary-treasurer Clifford Elvins; Librarian H. Churchill-Smith.

Western Lumber Situation Records Steady Improvement

Though every form of merchandising on the prairies has received marked stimulus, as a result of the promising condition of agriculture, in the lumber industry there has not been as much activity for many years. The yards in the large centres as well as through rural districts are closing a year of unusual sales volume. Steady orders on the western mills have been necessary to keep stocks anywhere near the volume the prospects warrant.

What is best, old accounts have been liquidated in substantial amounts and many new orders have been discounted on delivery. All kinds of building material has felt the impetus of a very successful year and the largest crop, as a whole, the prairies have ever harvested. Prices continue very steady for all grades of lumber, paints, oils, glass and hardware. Large dealers on the prairie report their customers in sound financial condition, which must improve with the cash coming in for grain and live stock.

International Nickel Listed in Montreal

From Our Own Correspondent.

MONTREAL.– International Nickel which has been one of the most active stocks on the Montreal Curb market for some time, was this week transferred to the Montreal Stock Exchange. The move followed as a result of the extended trading in the common stock of the company and the widespread public interest it has aroused. Both the preferred and common stock are now listed on the Montreal Stock Exchange, and it is stated that a transfer office is to be established in Montreal to afford even greater facilities. It is understood that the Royal Trust Company will be named transfer agents and the Montreal Trust Company registrars.

International Nickel marks the second stock to be transferred from the Montreal Curb to the Montreal Stock Exchange since the establishment of the curb market over a year ago. Massey-Harris, the first stock to be so transferred, has continued its activity since being listed on the big board, and has contributed considerably in augmenting the volume of business transacted by the Montreal Stock Exchange.

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Current Events in Banking World

Profit Banks Make on Circulation is Their Least Benefit

They Make Some Profit in Privilege, But It is Not Great —Elasticity of System is Chief Thing They Gain from Power to Issue Notes

By A. B. BARKER.

The superstition that large profits accrue to the banks from bank note circulation dies hard, and critics still speak of the huge revenue received by the banks because of the right of issue given them under the Bank Act.

The banks make a profit from this note issue, of course; otherwise there would be no object in their retaining the privilege, but the rate of profit is very much overestimated by the public, as well as by many bankers.

It is generally assumed that, to the extent its notes remain outstanding, a bank obtains a free loan from the public. This is far from being the case.

What Banks May Issue

Under the Bank Act a bank may issue notes as currency up to the amount of its paid up capital. In addition, it may, from the first of September to the last day of February, inclusive, issue notes to an amount not exceeding 15 per cent. of its combined capital and rest, but on this excess, it must pay a tax to the government at the rate of 5 per cent. per annum.

It may also issue without tax, notes in excess of both these issues, provided it deposits gold or Dominion notes with the Central Gold Reserves, equal to such excess issues.

On the amount of notes issued up to the amount of its paid up capital and not covered by its deposit in the Central Paid Reserves the bank pays a tax of one per cent. per annum; also the bank must deposit with the government in the Bank Circulation Redemption Fund an amount equal to 5 per cent. of its average circulation outstanding, and when it is not covered by a deposit in the Central Paid Reserves.

According to the last government return of all the banks, the return for July, 1927, the figures affecting the circulation were:

Total paid-up capital	$122,503,110
Total notes in circulation	174,406,053
Deposit in central gold reserves	68,620,332
Bank Circulation Redemption Fund	5,922,792
Amt. of notes held by other banks	16,494,547

Non-Profitable Portions

To estimate the profit of the banks from this source the non-profitable portions must first be deducted. This, it will be readily admitted, will be that subject to the tax of 5 per cent., which precludes any chance of profit, and also the amount covered by a deposit of paid or legal tender notes with the trustees of the Central Paid Reserves. Notes secured in this way simply replace the legals issued by the government, the banks lodging them with the Gold Reserve and issuing their own, instead. Any profit from this issue, therefore, must go to the government.

The banks prefer to use this latter method, rather than the former for their excess issues and in the statement quoted there are none subject to the 5 per cent. tax for this reason. Here, then, is an estimate of the actual funds derived from circulation:

Circulation	$174,406,053
Less: deposit in Cen. Gold Res.	68,620,332
Circulation subject to tax of 1 per cent. per annum	105,785,721
Less: circulation redem. fund	5,922,792
Funds derived from circulation outstanding	99,861,929

Interest on Deposit

On the deposit in the Circulation Redemption Fund with the government the banks reserve 3 per cent. interest. It is included in the assets of the depositing banks but must be maintained at 5 per cent. of the annual circulation outstanding. It is held by the Minister of Finance as an insurance fund and, in the event of a bank suspending payment, this fund is available to pay the notes of the failed bank, with interest thereon from date of suspension, if the liquidator is unable, from the assets of the failed bank to pay the notes with interest within 60 days of suspension.

This prevents the notes of a failed bank falling to discount. When the Home Bank suspended payments the notes continued to pass at par without question. There are still a few of the notes of this bank outstanding and as a result of the guarantee these notes are now worth a premium of two months' interest.

Only Once Called Upon

This provision was added to the Act in 1890 at the suggestion of the banks, but, although there have been two or three failures since then, the fund has only once been called on, pending realization of the assets of the Bank of Vancouver. The amount required was small, and was soon paid from the realization of the assets of the bank in question.

In the event of the assets of a bank not realizing sufficient to repay to the fund the deficiency due to redemption of its notes, the remaining banks must, pro rata, pay into the fund sufficient to restore the fund to 5 per cent. of the outstanding notes, but not at the rate of more than one per cent. per annum. It is in effect an insurance fund, under which the banks guarantee the notes of each other.

In estimating the amount of the loan by the public from the notes in circulation, the amount of this deposit is deducted for the reason that, invested in this way, the banks cannot use the funds in making loans.

Earn Profit on Hundred Million

This leaves less than $100,000,000 with which to earn a profit, out of a total circulation of over $174,000,000 outstanding.

The banks on that date were also holding more than $16,000,000 in notes of other banks, received by them in deposits in the usual course sent in for redemption within a day or two, and this amount might fairly be deducted also, in which case the loanable funds obtained from the $174,000,000 circulation would only be $83,000,000, or less than half of the amount outstanding.

Considerable Expenses to Handle

However, assuming nearly $100,000,000 loanable funds from this source, it must be remembered that there are considerable expenses connected with the handling of the circulation. Some of the expenditure, of course, would be incurred without any circulation, salaries of tellers and overhead, but there is in addition the postage and insurance required to ship the supplies of currency from branch to branch when needed. The daily redemption of notes, the constant evidence not only of solvency, but of adequate cash reserves, in the shape of gold and legals, necessitates a big turnover and this means expense.

The government tax is calculated on the total in circulation less the deposit in the gold reserve, and this tax is paid on an amount somewhat greater than the loanable funds derived from the note issues.

Return Is Moderate Percentage

The expense of handling the notes on which there is no profit is as great as on those which produce a profit, and, when the total expenses are allowed for, it will be found that the return on the circulation works out at a very moderate percentage.

The chief source of profit to the banks from their note issues, under present day conditions, lies in the fact that it furnishes the branches with a very cheap till money. These notes, because of the public confidence, pass freely as cash, and, as it costs a bank nothing to hold its own notes in its vaults, a branch can hold supplies of currency sufficient for its requirements without cost. This is a real benefit to the various communities, in that it permits the extension of the branch system in districts where otherwise it would not pay to open a branch office, and it is one reason why the cost of banking service to the public is lower in Canada than in any other country.

Because of the profit to the banks from their circulation, there has always been sufficient currency in circulation for the requirements of business, even when these have necessitated a sudden expansion of the circulation. When the need was past, the excess issues were automatically reduced through the daily redemption. The notes were deposited by their holders in the usual course, and were promptly presented for redemption at the bank of issues.

Plenty of Currency Now

Across the line, in the United States, the National Bank notes were secured by United States bonds lodged by the issuing bank with the United States Treasury, to the full amount of the notes issued. This made the notes absolutely secure, but, because of the investment the banks had to make to obtain the notes, they could not afford to hold any surplus supplies and there were frequent currency famines in that country, when the demands of trade required large supplies of currency. There was ample security but elasticity was lacking. The Federal Reserve Banks changed this, and provided an elastic currency on lines very similar to the Canadian system. Since then the supply of currency has been amply sufficient for the needs of the country's trade, expanding with the demands and contracting when the need was past.

Because of the American system of local banks, the Federal Reserve System was the only way in which this could be accomplished.

These Federal Reserve issues are not, as many think, government issues. The shares of the Federal Reserve Banks are owned partly by the member banks and partly by the United States Government. Dividends are paid, and the profits from circulation are in this way obtained by the banks from this source.

These notes are obtained by the member banks for use in their business through rediscounting trade paper. The proceeds go to the credit of the discounting member, and it may use the proceeds, either in settlement of the balance against it in the daily clearings, or it may draw the cash it requires for its counter business.

Same Service At Less Cost

So far as the rediscounting is concerned we in Canada have the same convenience as the banks in the United States, and at a fraction of the cost. The government here will make advances to banks against approved securities, including trade paper. These loans are made by the issue of legal tender notes by the government to the bank. The bank, however, instead of paying these out, deposits them in the Central Gold Reserves, and issues its own notes against the deposit. It suits the banks to do this as in this way they find it easier to see that the limit of the ordinary issues upon which there is a tax of 1 per cent., is not exceeded, and the bank rendered liable to a heavy penalty.

The doctrinaire's claim that the right of issue should belong solely to the government is also used as an argument, and in theory a strong case can be made for it, but in practice it has always caused trouble.

British Introduced Silver

In Canada during the French regime the volume of paper currency in circulation, some 80,000,000 livres, was one reason why the invasion was successful. The habitants refused to accept the worthless stuff in exchange for their grain, and hid the supplies when the agents of their government went to secure them. The British brought coined silver to pay for the supplies they required, and the habitants preferred to deal with the invaders who treated them fairly, and paid in coin which they could use. As a result the French army was poorly fed, and when the final dash came the army with the regular rations won.

The United States issued a Continental currency to finance the revolution, and the value of the notes fell so low that "not worth a continental" became a slang synonym for general worthlessness.

Banking Privilege From Start

The remembrance of these at the time when the first Canadian bank was organized in 1817 was one reason which impelled the government to grant the right of issue to the new bank, rather than try to issue its own currency. The public preferred the notes of the private corporation, which had to honor its notes on demand, rather than the notes of the government, which had the power to delay payment of its obligations. Currency, whether issued by a bank or a government, depends for its circulative power on the willingness of the public to accept it for goods and services in the ordinary course.

Such notes, whether issued by a bank or by a government, are not money, but usually promises to pay money, and if there is the slightest doubt as to the prompt redemption on presentation, the public begins to hesitate to accept them, and the notes fall to a discount, no matter by whom they have been issued.

Trade Demands Circulation

The trade of a country requires a certain volume of circulative medium in order that the exchanges may be made with the least difficulty, and the more highly developed the trading facilities are, the greater the percentage of transactions settled by transfers of credit instead of cash. If money must be used, it is cheaper to use it in the form of currency—promise to pay money — rather than actual coin. Paper currency is far more convenient and much less costly than coin. Also an elastic currency, which expands and contracts in volume, according to the requirements of trade, is much less expensive to use than an inelastic system, and this convenience can be more readily secured through the medium of a currency issued by banks under paper safeguards than under purely government issues.

That there is some profit to the banks is incidental. It is a question of cost. All the suggested systems have been tried in some form or other, some of them with most disastrous effects, and, as it is evident to any one who really investigates, that the present Canadian system is the one of all others which operates with the least expense to the country. It is difficult to understand any desire for a change.

Staff Gossip

H. A. Grout, of the Woodstock branch of the Canadian Bank of Commerce, has been transferred to the branch at Hamilton.

• • •

The Canadian Bank of Commerce will occupy its new quarters in the Jubilee Block, Glace Bay, C.B., about the first of November.

• • •

H. Sullivan, of the Owen Sound branch of the Standard Bank, has been appointed manager at Mount Hope, to succeed E. A. Preston, who is now in the Flesherton branch.

• • •

Sixty friends of S. A. Duke, retiring manager of the Windsor, Ont., branch of the Royal Bank, recently gathered to honor him at a farewell dinner. Mr. Duke, who has been promoted to the head office of the bank at Toronto, was presented with a gold watch. K. D. Simpson succeeds Mr. Duke at the Windsor branch.

Weekly Bank Clearings

(In comparison with the same week last year)

	Oct. 14, 1926	Oct. 13, 1927
Eastern Cities		
Halifax	$ 2,991,636	$ 3,086,390
Saint John	2,484,898	2,518,207
Moncton	830,246	902,776
Sherbrooke	872,844	927,734
Montreal	108,304,647	146,646,255
Quebec	6,037,572	8,071,118
Ottawa	6,345,852	6,757,544
Kingston	859,539	1,025,064
Peterborough	895,539	995,633
Toronto	101,301,503	148,662,827
Hamilton	5,387,334	5,968,360
Brantford	1,019,643	1,392,918
London	2,926,759	3,586,769
Chatham	674,649	814,225
Kitchener	1,082,401	1,344,458
Sarnia	716,869	584,773
Windsor	5,043,173	5,269,265
Western Cities	**Oct. 14, 1926**	**Oct. 13, 1927**
Fort William	$ 1,022,263	$ 1,232,155
Winnipeg	66,597,676	62,082,281
Brandon	591,313	757,522
Regina	2,354,738	5,751,408
Moose Jaw	1,375,272	1,605,843
Prince Albert	386,231	434,267
Calgary	6,154,294	7,340,562
Edmonton	4,804,763	5,269,345
Medicine Hat	371,739	460,054
Lethbridge	515,080	706,400
New Westminster	811,178	959,070
Vancouver	15,128,380	17,912,907
Victoria	2,277,649	2,789,802
Saskatoon	....	2,546,638

Woods Manufacturing Company, Limited

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Tarpaulins
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FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

This is the beautiful glass garden we built for the late D. A. Dunlap, Esq., of Toronto. A conservatory like this would mean great joy to you and your family.

Through a Window Into Summerland

The view is taken from Mrs. Dunlap's living room. Here is a "window into summerland" —a bower of warmth and fragrance on a winter's day.

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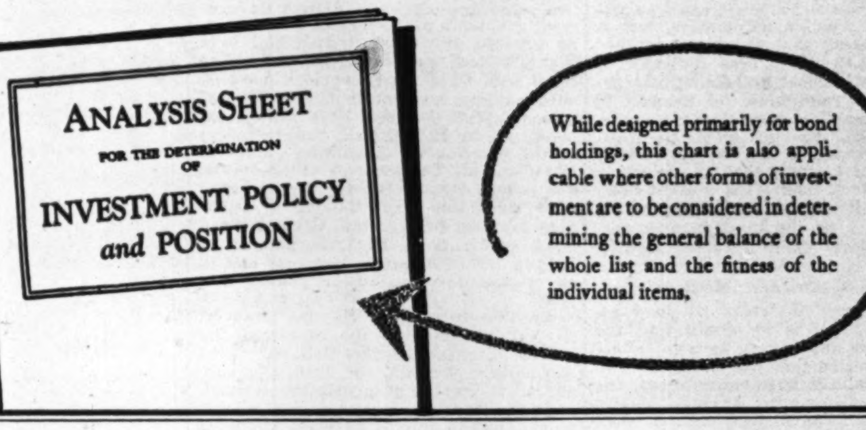
Have you kept in mind the Canadian National Flower Show, Windsor Hotel, Montreal, Nov. 4-5-6-7? We are exhibiting there.


ANALYSIS SHEET
FOR THE DETERMINATION OF
INVESTMENT POLICY and POSITION
While designed primarily for bond holdings, this chart is also applicable where other forms of investment are to be considered in determining the general balance of the whole list and the fitness of the individual items.

Are Your Bond Holdings Properly Balanced?

This chart will tell you

INVESTORS who have no policy to guide their selection of bonds are apt to accumulate holdings that are lacking in diversification and balance. The bonds may be sound enough, but not well chosen. Holdings should be analyzed from time to time to show the structure.

Many investors are hesitant about submitting their bond holdings to others for analysis. That is not necessary for determining how they are diversified as to type and locality—what the maturities are —how income is distributed over the year—how present market prices compare with prices paid, etc.

You can make this analysis yourself on a simple chart we have devised, based on the method we use for analyzing bond holdings for banks, institutions and large individual investors. This chart also contains an outline for defining the investment policy that would most effectively serve your particular needs.

Altogether, it is a necessary step in appraising every security on your list and in deciding what to buy next. We shall be glad to send you this chart, without obligation.

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SEES CONTINUED HIGH LEVEL WITH MINOR CHANGES

Stock Brokers, Reviewing Situation, Express Confidence in Future

MONTREAL.—The steady rise of the market and the coming to the fore of a wide range of stocks in the industrial, paper, and power groups which have all risen to new highs recently, has prompted the question to be met with on all sides. "Is it going to end?"

In view of the widespread opinion that stock quotations for many companies are higher than the actual value of the stocks, and that the investing public has begun discounting the future of the different companies with more than warrantable optimism, a pamphlet brought out by Truax, Carsley & Co., members of the Montreal Stock Exchange, will be read with interest. It is entitled "Is the Bull Market Over?"

It states that while the Dow-Jones average of industrial stocks indicates an approach to a new high for all time, the New York Stock Exchange contends that these averages do not give a true picture of the market's position in that they apply only to a limited number of stocks. The exchange has computed an average based upon every security listed on the exchange, which shows that at no time during the year has the average exceeded the peak reached on November 1, 1925.

The bulletin reads, in part:

Certain Stocks High

It is not difficult to understand how averages comprising only a limited number of stocks have been disproportionately influenced since they invariably consist of the most popular issues which, as a class, have had spectacular advances and are not, in this respect, truly representative of the entire list. Certain stocks are unquestionably high to-day, as their yields are low in comparison with those of the past. But since we seem to be entering a period of low interest and declining return, standards of the past are not very reliable guides. Quite apart from this, there are some groups of stocks which are certainly not high, due, of course, to special conditions affecting them—the oils, for instance.

During the past five years there have been more so-called market indicators laid on the shelf than ever before in the history of the market. This is because conditions in business and finance are changing and the old indicators have outlived their usefulness. Some of them, of course, still exert an influence since the public is slow to learn that they are no longer dependable. Unfilled orders of the U.S. Steel Corporation are no longer of special value as an indicator since the company has been able to do a record peacetime business while unfilled tonnage continues at relatively very low figures. This is due to the hand-to-mouth buying policy that is now in vogue where the consumer buys only what he requires.

It would require too much space to discuss these so-called barometers, but it is worth noting that the blast furnace percentages as a business indicator is also one of the most noted that has, according to its originator, Col. Leonard P. Ayres, of the Cleveland Trust Co., become obsolete. He states: "At the present time, we have in this country so very large an excess supply that we can easily finance all such expansions without causing any credit strain, and so the old indicators, such as the blast furnace one, no longer have their previous significance."

Changed Business Methods

To intelligent observers of business conditions, there is no doubt that the United States and Canada have definitely entered a period that has no parallel in the past. Modern business methods, due to the hand-to-mouth buying, require comparatively much less capital than previously, when enormous sums were tied up for long periods in huge inventories. The increase in speed of transportation further cuts down the need for tying up money in raw materials and goods as these can now be delivered in days instead of weeks.

With half of the world's supply of monetary gold, the United States has a credit basis never before dreamed of and the Federal Reserve system, a comparatively recent institution, has shown that it can in a large measure effectively handle credit so as to avoid undue inflation or panic. For the first time, there is sufficient credit available in the United States to take care of the requirements of unprecedented business activity, and, at the same time, to supply the stock market with sufficient money to stage the greatest bull market in history.

Brokers' loans, which are so widely discussed every week and at the present time are thought to be large, are in reality equal to only about 4.0 per cent. of the total value of securities listed on the New York Stock Exchange. It is quite natural that these loans should increase as the volume of transactions in securities enlarge.

Market Will Remain Firm

Even though a new order of things may have begun, it is not an easy matter to disabuse the public of the old theory of cycles. For the past several years, many investors and traders have been daily expecting the market to turn decisively and a major bear market begin. Every day someone will shake his head and remark that a large crash impends. But after each brief downward revision of prices, the market has turned upward and climbed into new high ground for all time. It is quite possible that we have not yet been able to adjust ourselves to the speed and scope of this new era which we have entered. Conditions have changed so drastically and business has expanded to such gigantic figures that we are unable to comprehend them clearly, and even though everything points to a continuance of good times, we still cling, if only subconsciously, to the old rule that depression must follow prosperity.

A recent survey compiled by the New York Evening Post, quoting thirteen of the leading American forecasting services, shows that "all prophets agree that business will continue on an even keel."

It is our guess that there is no major bear market in sight. The public has so much money to invest—likewise the great institutions such as the Sun Life—that oly a moderate reaction brings into play tremendous buying power. It is hard to conceive, therefore, of any very great slump in prices.

The market right now seems to be going through a period of readjustment, and while there will be minor reactions, some of a rather decisive nature, we think it inevitable that stock prices generally must advance to reflect the wonderful expansion in the business of the United States and Canada. True, certain high-priced specialties may go no higher—indeed, they may decline further—but since there are many stocks which have not participated to any great extent in the advance and there is no proof that the market generally is as high as the averages would indicate, there is no reason why these issues should not advance according to their prospects.

CANADIAN TOBACCO EXPORTS GROW FAST

British Preference Promotes Industry in Ontario and Quebec

Growth of the tobacco-planting industry in South-western Ontario is emphasized in a statement issued from interests which intimate that shortly there will be a new organization to participate in the export business which has increased materially since the British government invoked imperial preference with a view to assisting growers of tobacco within the empire. A recent bulletin of the United States Bureau of Agricultural Economics is quoted at length:

"Next to British India," says the bulletin, "Canada ranks as the foremost tobacco producing country of the British Empire. Stimulated by the preference granted Empire grown tobaccos in the British market since September 1, 1919, the production of tobacco in Canada has increased from 14,232,000 pounds in 1918 to 28,824,000 pounds in 1926. Practically all of the tobacco grown in Canada is produced in Ontario and Quebec. Ontario produces about 70 per cent. of the total crop and Quebec practically all of the balance."

The U. S. report gives a thorough survey of Canadian tobacco culture with production figures that doubtless will surprise most American readers. The Bureau's views of the British Preference is contained in a paragraph as follows:

"Prior to the establishment on September 1, 1919, of the British Preference on Empire-grown tobacco, the Canadian tobacco exports never exceeded 225,000 pounds annually, and on the average, were considerably below that figure. The regular duty on tobacco entering the United Kingdom is 8s 2½d per pound, or approximately $2. The preference reduces this rate to $1.50 per pound on all tobacco coming from Empire sources of supply. This substantial preference no doubt, largely explains why the exports of Canadian tobacco, which averaged only 175,000 pounds annually during the five years preceding its establishment, increased to an average of 4,240,000 pounds during the past three years. Practically all of the Canadian exports of tobacco go to the British market where manufacturers and importers state that it is more satisfactory for blending purposes than any tobacco now being produced in the Empire countries."

Supply Less Than Demand

In the last fifteen years it has proven to be the most remunerative crop that comes from the soil and scores of farmers in Southwestern Ontario to-day find themselves in affluent circumstances through having devoted from one to twenty acres of their land to the production of either Burley or flue-cured tobacco.

The most substantial progress, however, has been of even more recent date and may be said to have started only two years ago when the British Government granted a preference of 25 per cent. on tobacco grown on British soil over that produced outside the Empire. The results of this tariff change, coupled with an improvement in the quality of Canadian tobacco, have been a huge expenditure by the British manufacturers in the erection of rehandling plants in Chatham, St. Thomas and other points, and a sensational increase in the Canadian production. The imports of Canadian raw leaf tobacco into Great Britain have grown from 1,747,960 pounds in 1924 to 4,892,386 pounds last year and to an estimated seven million pounds this year.

The feature of these figures, however, is that according to the report of the tobacco division of the Department of Agriculture, Ottawa, for 1926, the supply is not keeping pace with the demand, and the British factories for export alone, already erected here are equipped to take care of three times the entire crop of 1926, although from 70 to 80 per cent. of the crop is needed for home consumption.

Real Estate Market More Active During Past Month

Real estate market activity for September was measured by an index figure of 158, according to the compilation made monthly by the National Association of Real Estate Boards. The compilation is made from official figures of transfers and conveyances recorded in 41 typical cities.

The September figure was five points lower than the index for August. It is six points lower than the index for September of 1926.

In the Association's compilation the average of transfers and conveyances recorded during the corresponding month of the years 1916-1923 in the 41 cities is taken as the base (100).

The index record for the past nine months is as follows: January, 170; February, 180; March, 173; April, 166; May, 156; June, 161; July, 167; August, 163; September, 158.

Vancouver Firm Offers Apartment House Bonds

St. Julien Apartment first mortgage 7 per cent. bonds, to the amount of $380,000, are being publicly offered by R. P. Clark & Co., of Vancouver, at par and accrued interest. These bonds are serial, maturing from 1928 to 1938.

A recent appraisal made of this building shows that the first mortgage bonds do not represent over a 40 per cent. mortgage on this valuable downtown apartment house. The building is seven stories high, containing 122 fully modern suites. These suites have proven very popular with the renting public, owing to their central location.

Mayor Building Rentals Are Nearing Half-way Mark

Rapid progress is being made on the construction of the Mayor Building in Montreal, recently financed by Toronto interests. The steel work has been put in place and the structure bricked up to the fourth story.

At present rate of progress, building will be completed about the first of January next. Construction plans call for a modern reinforced fireproof building of eleven stories and basement, faced with Benedict stone.

Its close proximity to the centre of the main shopping district makes it ideally located to serve the needs of the clothing industry, and, as a result, from 30 to 35 per cent. of the available space already has been rented.

TWO ERSTWHILE OFFICE BOYS HEAD OF STEEL WARES

J. C. Newman and F. S. Corrigan Brought Up in Business

Two erstwhile office boys head General Steel Wares, Ltd., which is a merger of three companies in the sheet metal business which already were large organizations.

John Caverhill Newman, who has been named executive head of General Steel Wares, Ltd., was born and brought up in Montreal, received his education there and has been prominently identified with industrial life since. As a youth he entered the employ of the McClary Manufacturing Company as an office boy and rose to be the manager of the Montreal division of the company.

Although the affairs of the McClary Company absorbed a great deal of his energies he has found time to devote some of his time to other interests, both of a business and a philanthropic character. He is president of J. S. Mitchell & Co., Ltd., Sherbrooke, Que.; president of the recently acquired Thomas Davidson Manufacturing Co., Ltd., and president of Baldwin's, Montreal, Ltd.

He has been actively associated with various charitable and philanthropic movements and in addition to large personal donations, his assistance has been much sought by organizations on account of the success he has attained in interesting the public financially in the objectives. He was for over five years president of the Western (Montreal) Hospital up to the time of its amalgamation with the Montreal General Hospital, when he became a director of the latter.

In his business connections Mr. Newman has displayed intensive energy in advancing the interests of his various companies, and, although still a young man, having been born in 1878, is well known as one of the foremost of Montreal's younger captains of industry. Among the diversified interests which have attracted his attention in the past were Canada Steamships, of which he was a director for some years; Howard Smith Paper Mills, Ltd., of which he was for a time vice-president; Northern Navigation Company, Ltd., of which he was a director, but has since resigned. He has also served on the Council of the Montreal Board of Trade.

Mr. Newman was born in Montreal on June 26, 1878, the son of the late T. H. Newman and Catharine Gibson (Browne) Newman, and was educated at the Montreal High School. He entered the employ of the McClary Manufacturing Company at the age of thirteen, and his long experience with that company eminently fits him for the position of president in this consolidation.

Fred S. Corrigan, who is vice-president and general manager of General Steel Wares, Ltd., is a native of Toronto. He has been on the staff of the Sheet Metal Products Company of Canada (formerly Kemp Manufacturing Company) for the past thirty years, and he has risen from the position of office boy to vice-president.

The McClary Manufacturing Company has been in business eighty years; the Sheet Metal Products, with its predecessors, commenced business sixty years ago, and the Thomas Davidson Company seventy years ago. The consolidation of these companies is in accordance with the trend of the times and it is confidently expected that the consumer of the products of the amalgamated companies will derive benefits resulting from the elimination of the expenses caused by the triplication of the various activities of the companies now being consolidated.

The new company will be the largest manufacturer of sheet metal products in the Dominion of Canada, and will own and operate the largest stove foundry in the British Empire.

RAILWAY EARNINGS

Week end. Oct. 14	1927	1926	Change
C. P. R.	$4,648,000	$4,644,000+	$4,000
C. N. R. ...	5,748,372	5,754,484—	6,112

EUROPE BEGINS TO COMPETE IN FARM MACHINERY

Power Trend Also More Pronounced in Equipping Agriculture

A recent review of the farm equipment business in the United States leads to the conclusion that competition in this business throughout the world is likely to increase materially, with European factories more energetically seeking business. As the competition which United States concerns meets in foreign countries is similar to the competition met by such Canadian concerns as Massey-Harris, Cockshutt Plow and Sawyer-Massey, the review is of especial interest to Canadian investors.

"It will pay us to watch the trend toward more power machinery," said R. W. E. Hayes, president of the National Association of Farm Equipment Manufacturers at the 34th annual convention in Chicago this week. Mr. Hayes continued in part:

"Perhaps you noticed that at the Big Rock plowing match last month no boys entered the horse-drawn tool events. These youngsters . . . like to drive behind a wheel. We must not forget these boys will be buying our equipment a few years hence. Another movement manufacturers of farm equipment will do well to keep in close touch with is the master farmer idea, a movement that is bringing a renewed interest in agriculture and is doing much to raise the standard of farming in the Central West.

Keener Competition in Sight

"Agriculture is undergoing a marvelous change, and as a result our own industry also is changing. Farm equipment exports during the first six months of this year were $6,000,000 under last year. Farm machine production by European factories is making itself felt and competition for foreign trade therefore may be expected to become increasingly keen. This may be reflected in more strenuous competition in the domestic field to keep up the volume. Our Association has developed a code of ethics to govern such circumstances.

"The rising tide of local and state taxes demands serious consideration and most state manufacturers' associations are devoting much attention to combating the increases in that direction."

Tractor manufacturers attending the convention reported increases in sales and production of 25 per cent. to 60 per cent. over 1926, which was a record year with a total production of around 170,000 machines.

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SEND
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EXPRESS
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AIM AT UNIFORM NO-PROTEST MARK ACROSS THE LINE

Consider It Important That Clerks Not Confused

NEW YORK—Urgent renewal of its recommendations for a uniform No-Protest Symbol plan has been issued by the clearing house section of the American Bankers Association.

The suggestion for the use of a uniform No-Protest Symbol was originated by the clearing house section of the American Bankers Association about ten years ago, and was a logical following of the success attending the adoption of the system of uniform transit numbers, being one step further in the direction of simplifying and expediting the work of banks in handling items received from correspondents.

Use Inexpensive Stamp

The use of the symbol was first proposed to banks of the country in a bulletin issued by the clearing house section with the recommendation that:

"Any bank that receives from its customer a check or draft on a bank which it desires to have handled as a 'no-protest' item can convey such instructions through several intermediate banks to the final paying bank by means of an inexpensive rubber stamp. To do this an impression of the stamp should be made on the face, and as near the right hand end of the item as possible. The stamp should be ½ x ⅞ of an inch in size. It should contain the letters 'N.P.' in 10 point Gothic type and the universal numerical system transit number of the bank, and should be preferably of the following design:

N. P.
83 - 164

Accompanying this was a suggestion for conveying instructions in the cash letters and an explanation of the methods of operation of the system and the benefits that would accrue:

"The instructions to be printed on the cash letter accompanying the item should include the following:

N. P.
83 - 164

Protest all items over $10 not bearing this stamp or similar stamp, containing the transit number of a preceding bank indorser."

Want Plan Made Universal

It is desirable to make this plan universal in its scope. It is simple and easy of application. Its installation causes little or no expense. It is a great labor and time saver. A majority of banks both large and small have adopted this scheme and, after having used it for several years, report its workings highly satisfactory.

Uniformity should be observed in the following particulars, the clearing house section states:

1. As to style and size of stamp.
2. As to place of affixing stamp to checks and drafts. The no-protest symbol should be affixed as near as possible to the right hand end of the face of the item.
3. As to uniform instructions on remittance letters, and
4. As to the minimum amount adopted by the clearing house section of $10.

In conformity with the suggestions of the clearing house section, and recognizing the economy of time and effort and the diminution of risk of mistake which would accrue from its general adoption by banks of the country, a majority of banks adopted the symbol and had stamps made in exact conformity to the specifications of the American Bankers' Association, thereby contributing greatly to the convenience of every other bank called upon to handle these items. However, some banks are using stamps not conforming to the recommendations of the American Bankers' Association. Many banks not precisely informed of the style and size of the symbol specified in the original suggestion of the American Bankers' Association, follow the examples of these banks using irregular forms and sizes, resulting in confusion and uncertainty and in a great measure defeating the purpose of the symbol.

Too Many Other Stamps

Bank clerks handle thousands of items every day; and many of these bear various other stamps besides the indorsements—registry numbers, cage and department stamps, etc. It is asking enough of clerks who handle paper for protest to require them to be on the watch for the one prescribed form of no-protest symbol without demanding that they puzzle out the significance of every eccentric stamp that each item may bear. The very essence of the reason for the no-protest symbol is that it shall expedite the handling of items and minimize the chance of error. As a matter of fact, unless there is uniformity in the appearance of the symbol, the problem is complicated and both delay and risk of error are increased.

Clearing House Manager George C. Calvert, of Indianapolis, sagely observes in this connection:

"If the banks which fail to use the prescribed symbol in its uniform shape and size would adhere to the method of conveying no-protest instructions by letter, there would be less trouble; but unfortunately, many banks are seeking to avail themselves of the conveniences of the symbol without taking any care to conform to the requirement of uniformity. The aesthetic enthusiasm of the manufacturers of rubber stamps has simply run riot. Thus, there are circles and stars, plus marks, Greek crosses, diamonds, octagons, shields and what not. None of which is the standard symbol. Of course, if they are seen and understood, they are usually regarded by the collecting bank, but it seems doubtful whether any obligation rests upon a bank to investigate the significance of a symbol that does not conform to the generally adopted specifications. Moreover, is there not an increased hazard to a bank which regards such an irregular symbol if it should develop that it had been placed there by an unauthorized person? Certainly the question of legal liability would be complicated.

Not Such a Trivial Thing

"The clearing house section of the American Bankers' Association has devised and recommended a uniform symbol as a means of conveying no-protest instructions simply, quickly and certainly. Any bank is at liberty to use it but any bank which attempts to use any other than the prescribed symbol is simply muddying the water.

"It may seem as though the use of a uniform no-protest stamp is a trivial thing, but this is a mistaken notion, for clearing house managers report that there are many erroneous protests due to the failure of clerks to observe an unauthorized and irregular symbol. If the full benefit of the uniform no-protest symbol is to be derived by banks, there must be absolute uniformity in the style of symbol used."

RETAIL MERCHANT FAVORS CARRYING SMALL INVENTORY

Adheres Closely to Policy, Though Heavier Buying Says Hardware and Metal

What effect is present price tendency likely to have on hand-to-mouth buying, is one of the perplexing problems confronting the jobber in this and other countries. It is impossible to determine with any degree of accuracy as to when prices will stabilize. Movement for a month or two ahead can be foretold with some measure of success, but to make such a forecast for a longer period is out of the question.

This problem was recently put up to Hardware and Metal by a large wholesale hardware dealer who had put in a much larger stock for this fall trade than for some years past, on the assumption that prices had stabilized sufficiently to warrant retailers buying with more confidence. Prices are still tending downward, however, and retailers are showing no disposition to increase the size of their orders. What is this dealer to do?

Hardware and Metal made a survey of the situation and has the following to say, which is not only of interest to the hardware dealers, but to other lines of trade as well:

Prices in general are on the gradual trend back to pre-war levels, and as reduced cost of manufacturing is the reason for this decline, and a freer circulation of money is looked for from Canadian crop conditions, it rests with the dealer whether this bettering of business conditions is going to persuade him to carry larger stocks. The public to-day have a greater buying power in dollar values than in 1920, and demand upon stocks of the dealer are larger.

The buying power of the public with the added circulation of money which follows a good harvest will be broadened, and sales in many articles, which in poor years suffer from lack of movement, should be greatly stimulated. It is noticeable, too, that people in general are buying a better grade of merchandise than formerly. High grade goods are more in demand and prove good sellers. Where purchasers used to look for cheap prices, the quality of the article is now entering more into the sale. As an instance of this, painters who were engaged in redecorating a house, or contractors putting up new buildings, were not so concerned about the grade of paint used as to the price they had to pay for it, but wholesalers have noticed during the past two years that the better grade paints are being used. The public are realizing that a cheap article of inferior quality is of higher cost to them in the end than if at first they had paid more and received quality in place of price.

The wholesaler, in gauging his requirements for the future, and in taking into consideration these various conditions, felt that the dealer would have more confidence in a larger turnover and would increase his stock accordingly. Hand-to-mouth buying has its advantages in times of high prices, because many dealers are not in a financial position to keep their stocks up to full strength, but stocks to-day do not represent the same amount in money value. Buying has not yet come up to the expectations of the wholesaler, and hardware men are still timid about increasing their stock in the face of a market which has shown the gradual decline.

4,000,000 PEOPLE HAVE PROTECTION OF GROUP PLANS

Policies Represent Total Insurance of Five and Half Billions

NEW YORK.—The group insurance plan, under which an increasing number of employers are purchasing low-cost insurance for their employees, represents one of the most progressive steps taken in the life insurance field in the last twenty years, says Edward T. Foster of the Service Department of the National Bank of Commerce of New York in a review of the advance of this form of insurance.

In spite of the large amount of individual life insurance in force, Mr. Foster points out, probably 40 per cent. of workers carry no individual life insurance whatever, while the remaining 60 per cent. are insured for less than $500 on the average.

"During the sixteen years of its existence, its rate of growth has been a phenomenon of the insurance world," says the review. "At the end of 1926, it is estimated, over 4,000,000 persons were insured under group life policies for $5,500,000,000. Group insurance as written to-day is confined generally to groups of fifty or more employees of a common employer. It is, therefore, a form of insurance designed especially to cover the lives of workers in industrial or commercial concerns. This insurance is issued on a yearly renewable term basis under a blanket contract made out to the employer.

Grows Under All Conditions

"Beginning in a period of normal business, group insurance has grown steadily through prosperity, inflation, contraction and readjustment. Evidently, then, an increasing number of companies find it desirable to insure the lives of workers. For in spite of the fact that there were in force at the end of 1926 more than 100,000,000 individual policies for an aggregate of over $73,000,000, the average worker is grossly uninsured. The great majority of workers have dependents who ought to be protected against the death of the wage earner. It is to this service that group insurance devotes itself. For example, a study of about 3,000 group life insurance claims paid by one large insurance company during the year 1926 revealed that about 83 per cent. of all the claims went to wives, children or parents to whom the loss of the pay envelope is a serious or desperate matter.

"Exact and detailed data regarding the average amount of insurance carried on the individual worker insured under the group plan are not available. The average, it is estimated, is around $1,200.

Affords Mass Protection

"Group insurance has been favored by employers because it represents a plan designed especially to afford mass protection on the most economical terms.

"First of all, group life insurance is generally issued without individual medical examination. This liberalization serves, of course, to reduce the expense of issuing insurance. More important still, it extends the benefits of insurance to many who, because of physical disability, would otherwise remain uninsurable or be insurable only at high rates. It is estimated that about 15 per cent. of all employees are in this category.

"Secondly, the solicitation costs of group insurance are very moderate. The insurance is sold at the place of business to a large group as a whole.

Requires But One Policy

"Thirdly, under the group life insurance plan only one master policy is issued. This policy, which contains the detailed legal provisions governing the insurance, is made out to the employer. To each insured employee is given a simplified certificate evidencing a beneficial interest in the group policy. Such a practice serves to lower legal, clerical and printing expenses.

"Fourthly, the collection of premiums on group life insurance is centralized, thus reducing the work of agents. All collections, correspondence and accounting are handled in one periodical statement to the employer.

"Another fact worthy of mention is that the favorable mortality experienced under group contracts has permitted this type of insurance to be marketed at increasingly attractive rates.

Shows Rates Are Lower

"The economies arising from the group plan find their truest reflection in the comparison of individual life rates with group life rates in the case of a given person, say a man of 35 enjoying good health. A non-participating whole life policy for $1,000 containing a disability provision would cost such a person from $22 to $24 annually. An industrial life insurance policy for the same amount would cost from $36 to $42 annually. A non-participating yearly renewable term policy issued individually would cost $9 to $10 during the first year, but the rate would increase annually with each renewal. In contrast to those, the premium on an individual of 35 under a group life policy is less than $7 per $1,000.

"Of course, from an actuarial point of view, this premium of $7 increases annually with the age of the individual. But in reality the aggregate premium under the group plan tends to fluctuate within very narrow limits over a period of years.

Employer Pays Part

"In the case of a non-contributory group policy, on which the employer pays the entire cost, the increased premium on the individual is largely averaged out by the whole group. In the case of a contributory group policy, under which both employer and employee share the cost, it is commonly provided that each insured employee shall pay 60 cents per month per $1,000 of insurance, regardless of age, and that the balance required on the group shall be paid by the employer.

"The primary obligation assumed by the insurance company is, of course, to pay to the named beneficiary of an insured employee who dies from any cause whatever the amount of that employee's individual certificate. Aside from this, future premiums will be waived and the insurance paid in full to all insured individuals suffering total and permanent disability before the age of 60 years. Total and permanent disability may be occasioned either by accident or ill-health.

"Ordinarily, termination of employment for reasons other than illness automatically cancels coverage under a group policy, But under the conversion clause, found in group policies, an employee may, within thirty-one days after termination of employment, convert his group certificate into any individual life policy of equal amount, except a term insurance policy, without medical examination. It is provided in this connection, however, that the ordinary commercial rate at his then-attained age will be charged upon such converted policy. This provision obviously is of value to those impaired risks who would be unable to pass a medical examination.

Provisions Simple and Liberal

"The provisions of group insurance, it may be seen, are liberal and easily understood. Similarly, the payment of claims is expeditious. In the majority of cases, barring unforeseen complications, death claims are settled well within a week after notice of death.

"An authority estimates that during the present year about one million dollars will be distributed weekly to beneficiaries of deceased and permanently disabled employees insured under group policies. In so far as these payments serve to tide dependents over the period of financial readjustment following the death of the wage earner, group life insurance performs a distinct social service and amply justifies itself.

"It has, therefore, been with a sense of added gratification that employers have observed that the service of group insurance goes beyond the mere payment of claims. Under proper circumstances group life insurance helps to promote labor stability. This is not to say that this insurance can take the place of fair conditions of employment. But where these exist group life insurance gives the employment an added attractiveness. More important still, it helps the employee to make more adequate provision for his dependents against his death, and thus promotes in some degree his efficiency and loyalty."

Nearly Half Saskatchewan Grain Crop is Threshed

General unfavorable weather prevailing over the province as a whole during the past two weeks delayed harvesting operations considerably, according to telegraphic reports received by the statistics branch of the Saskatchewan Department of Agriculture. In the south and southeast, threshing is well over 50 per cent. completed, but in the north and western districts only about 25 per cent. is finished. Taking the entire province, reports indicate approximately 40 per cent. of the crop threshed. Rain last week at several points in the southeast caused a further delay, but machines are expected to resume work in most districts this week.

With the exception of some sheaves lying on the ground very little damage from sprouting is apparent. In spite of unsuitable weather some progress has been made with fall cultivation. Live stock are in good condition and pastures though reported short in scattered districts, are generally very satisfactory.

N. S. Tourist Traffic

The volume of tourist traffic in Nova Scotia during the season just ended, tabulated by the Department of Natural Resources, shows an increase of 50 per cent. over last season. From June 1st to September 30th, this year, 170,484 summer visitors entered Nova Scotia, as compared with 114,615 for the similar period of 1926. Of this year's total, 72,192 are said to have come in by train and 98,298 by motor car.

Record Telephone Business

Establishing a new high record in the history of the system, toll business over Alberta telephone lines during the month of September, 1927, amounted to $120,465.30, being an increase of over $31,000, as compared with the corresponding month in 1926. A total of 428 stations were added to the system in the month, 247 of these being in towns and cities and 181 on rural lines.

Canadian Oil Companies Ltd.

We have prepared an analysis of this Company. A copy will be mailed upon request.

ELgin 3481

J. L. GOAD & CO.
J. LAWRENCE GOAD Limited
Member Toronto Stock Exchange
Dominion Bank Bldg., Toronto

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INVESTIGATIONS
Industrials—Public Utilities—Natural Resources

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5

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WESTERN CANADA FLOUR MILLS COMPANY, LIMITED

AND SUBSIDIARY COMPANIES

ANNUAL STATEMENT

FOR THE YEAR ENDED 31ST AUGUST, 1927

HEAD OFFICE, TORONTO

MILLS

GODERICH, ONT. BRANDON, MAN. WINNIPEG, MAN. CALGARY, ALTA.
SOUTH EDMONTON, ALTA. VICTORIA, B.C.

ASSETS

CAPITAL ASSETS:			
Real Estate, Buildings, Machinery and Equipment		$5,714,606.82	
Other Investments		31,296.25	
Patents, Trademarks and Goodwill		1.00	
			$5,745,904.07
CURRENT ASSETS:			
Accounts and Bills Receivable		$ 708,086.11	
Inventories of Grain, Merchandise, Bags, Barrels and Supplies		2,246,760.07	
Cash on Hand and in Bank		50,774.58	
Deferred Charges		44,724.53	
			3,050,345.20
			$8,796,249.36

LIABILITIES

CAPITAL:			
Authorized—			
30,000 shares 6½% Cumulative Preference Stock of a par value of $100.00 each		$3,000,000.00	
150,000 shares Common Stock of No Par Value			
Issued—			
25,000 shares 6½% Cumulative Preference Stock of a par value of $100.00 each	$2,500,000.00		
250 shares redeemed	25,000.00		
		$2,475,000.00	
86,250 shares Common Stock of No Par Value		1,150,000.00	
			$3,625,000.00
CURRENT LIABILITIES—			
Bank Loans		$ 385,000.00	
Dividends Payable 15th September, 1927		70,465.73	
Accounts and Bills Payable		906,982.86	
			1,362,448.59
RESERVES:			
For Contingencies, Doubtful Accounts, Income Taxes, etc.		$ 251,410.89	
Property Reserve		1,623,044.00	
General Reserve		1,221,011.64	
			3,095,466.53
PROFIT AND LOSS ACCOUNT:			
Balance 1st September, 1926		607,207.32	
Profit for fiscal year ended 31st August, 1927		388,796.79	
		$ 996,004.11	
Less Dividends for year		282,669.87	
Balance 31st August, 1927			713,334.24
INDIRECT LIABILITIES:			
Customers' Paper under Discount	$1,905,899.51		
			$8,796,249.36

Canada Should Frame Tax Basis to Attract Capital from Abroad

C.M.A. Official Outlines Present Tax Problems of Canada and Indicates Need for Keeping Burden Below Tax Burden in Other Countries

By H. MACDONALD.

Legal Secretary, Canadian Manufacturers' Association; address to Canadian Tax Conference.

Among the numerous and difficult political and economic problems that press for solution from the Canadian public none are more important than those that come within the field of public finance, dominion, provincial and municipal. Our government receipts and expenditures have increased enormously within present years. It is perhaps natural that the financial problems of the Dominion should have attracted more attention than those of the provinces, cities and towns. We do well to remember, however, that the questions which fall within the jurisdiction of our local governing bodies touch more intimately than the larger and more spectacular matters which engage the attention of the Dominion Government. Moreover, the expenditures and receipts of the provincial governments, since Confederation, have increased proportionately much more than those of the federal government.

Development of Taxation

Taxation in its broadest sense is as old as the record of man himself. Closely interwoven with economic life, its development is a true reflection of the vast political and social changes that have taken place throughout history. Appearing first in the guise of voluntary contributions in primitive society, taxation later assumed a compulsory character when royalty began to extend its influence and commerce developed. What was initially merely a periodic and compulsory contribution for a particular or personal service, soon became a means of promoting common well-being. Revenues flowing into the public coffers were utilized at first for the promotion of national security and defence and later for the regulative and cultural activities of government, and these in most cases form the bulk of the functions of government to-day. It is here that we have the beginnings of the problems of taxation with its modern ramifications.

In the present day, the people everywhere demand as a right at the hands of governments, more attention to all matters concerning the public welfare. Expenditures for the development and fostering of industry and commerce must be made. The needs of more and better roads for improved methods of communication must be satisfied. Education in the most modern and effective form must be provided. Public institutions, corrective, preventative and curative must be erected and maintained. Health and sanitary conditions must receive attention. Finally, a multitude of other classes of expenditure due to the growth of civilization and modern conditions, the recognition in legislation of the preventative as against the repressive principle is rendered absolutely necessary.

Mean Fresh Expenditures

All these new functions of government mean fresh expenditures. These expenditures require increased revenue, to derive which, as a matter of course, increased taxation becomes necessary; and hence a due recognition and application of the characteristics of our modern age must be had as against the less sufficing requirements of former times. Without revenue, organized society would lapse rapidly into confusion and anarchy. No thoughtful person, therefore, of this day can, for a moment, think that governments can exist without revenue. It is as essential to the structure and efficiency of government, as blood in the veins is to the life of the individual.

Of course, dissatisfaction with a tax is not novel. No poet in the course of literature has burst into lyric rhapsodies over the Lay of the Last Tax. No crowd in the course of history has ever thrown its sweaty caps in the air rejoicing over tax legislation. On the contrary, the pages of history are covered with the evidence of discontent and dissatisfaction growing out of faulty and oppressive taxation.

Indirect Taxes Came First

Indirect taxation antedates direct taxation. Restricted as they are to direct taxes, the provinces have had no light task in enlarging and increasing this decidedly unpopular field of taxation. The yearly subsidies paid to the provinces by the Dominion Government are based largely on population and, since population has increased, but slowly, this item of provincial receipts now forms but a small and unimportant part of the total provincial revenue. More and more the provincial governments have been thrown upon their own resources in their attempts to furnish revenues adequate to their increasing expenditure. Probably this is a good thing for it is a sound maxim of public finance that the expending authority should be the collecting authority.

The imposition of direct taxes by the Dominion Government has therefore given rise to more or less irritation on the part of the province. The result of this is a demand for a better and more definite demarcation of the field of taxation between the Dominion and provincial governments. An alternative solution is based upon co-operation in the levying of common direct taxes, the receipts to be collected by one of the governments and a division to be made between all, but this solution does not meet with much favor, probably due to the fact that the collection of taxes is politically unpopular.

Emphasized Increase

The World War upset human calculations and proved far more costly, directly and indirectly, than even the keenest and most far-sighted militarist could have contemplated. Its effects were felt throughout the entire economic system and the decades to come will continue to reflect the consequences of the world's greatest upheaval. The destruction of capital and wealth has been far larger than the annual increments due to saving, and although the world is poorer today than it was before the war, the yearly costs of government are bound to remain at a level twice or three times as high as in 1914, and in some cases still higher. This is the sum and substance of the economic situation as it confronts us to-day. That the burden of taxation was growing rapidly even before the late world war is a fact that is borne out by abundant statistical data, and is further corroborated by popular testimony.

In the last analysis all taxes—whether direct or indirect—whether borne by those who pay at first or are later shifted to the shoulders of others, must come out of the excess of income over consumption or out of the national surplus of either past or current origin.

Corrections Can Now Come

There is no doubt that our legislatures appreciate the business dissatisfaction and the force of business criticism directed at certain forms of the present taxation law. These taxes were laid for the most part in times of stress. They were laid under immediate and high compulsion. The government needed the greatest revenue it ever raised; it had to act and to act quickly. Mistakes were inevitable. Correction now has leisure.

The first essential for the normal conduct and the due expansion of the country's commerce and industry is a regular flow of capital. There are only two main ways to provide the needed capital, i.e., either by means of individual (or corporate) accumulation as to the award of work, enterprise, and saving; or through action by the state, which means socialism.

Interfere With Capital Flow

The framers of our tax system have been all too oblivious in the past, to the inevitable consequences of the policy which it embodies. They have thus interfered with the flow of capital for the fuller development of commerce and industry. They have compelled corporate and individual business to infringe upon their necessary cash. working capital. Taxes must be paid in cash. You cannot pay them in materials, or merchandise, or bills receivable, or book assets. But while the outgoing taxes payable to the government is all cash, the income of most business is cash only to a limited extent. Moreover, every expanding and progressive business has continuous need of additional capital. Therefore, the accepted practice in prosperous and properly conducted concerns has long been to withdraw or distribute only part of the annual profits, leaving the rest in the business as additional working capital, and to pay for improvements, additions to plant, etc. But if the government appropriate to itself an excessively large portion of such profits in taxes the only way for business to meet the situation thus created, is either to restrict normal expansion, which means lessened production and lessened employment, or to incur debts to an undue extent.

Strain on Financial Resources

Under the circumstances which prevailed when the choice had to be made, the latter course was the natural and inevitable one. Taken together with the action of various elements which were inherent in the situation, it led and was bound to lead to an intolerable strain upon their financial resources, together with mounting costs, and finally forcing liquidation and a sudden and violent shrinkage of commercial and industrial values, including the products of agriculture.

Of course, I do not mean to imply that for that sequence of events, our taxation system was primarily responsible. There can be little doubt that some such sequence of phases would have come in any event in the wake of a hugely destructive war, and more particularly as a consequence of peace treaties lamentably defective in their economic and financial aspects, and of governmental inefficiency and wastefulness, and private extravagance and lack of restraint. But ill-conceived taxation excessively concentrated on business and individual accumulation, and causing, among other things, malfunctioning of the investment market and a great scurrying of capital into tax exempt securities has unquestionably been a strong influence in broadening their harm.

The thought and purpose underlying the fiscal policy inaugurated at the outbreak of the Great War was crudely to "take it out of the rich," and how has it worked? The rich, it is true, have been inconvenienced, but far more inconvenienced have been trade, commercial industry and agriculture; and the greatest hardships from the resulting conditions have fallen, unfortunately, on those of small and moderate means. It is an old and sad truth that the effect of economic blundering by government is always felt most by those least able to protect themselves.

Present Problems in Taxation

Equitable taxation is closely bound up with proper administration and successful financing of municipalities and provinces. During recent years, much has been said and written about the burdens and frequent duplicity of present municipal, provincial and federal taxation. Scarcely an annual meeting of any of the chartered banks or public statements of leaders in the industrial life of this country passes without pronouncements which denounce as unduly onerous and difficult of administration the present existing levies. Representations have been made time and again to the authorities concerned, to unite the tax collecting machinery, in order to eliminate unnecessary duplication. But as yet, no tangible results have been obtained by the general public, although it is believed, municipal and provincial improvement officials are gradually being aroused to the necessity of some action in this direction.

Uniformity Urgently Needed

One of the greatest needs is the organization and standardization of taxes on corporations, along scientific lines. This should not be taken to mean a necessary increase in taxation, but rather that it will enable the taxing authorities to levy the rates equitably with some approach to uniformity and justice, which is lacking in great measure in the statutes at present in force.

The legislative bodies of the different provinces are inclined to frame tax legislation designed to produce maximum revenues with the least alienation of sympthy and support. Expediency appears to be the most potent factor influencing their decisions. They concern themselves only with the particular enactments of their own jurisdictions, and even within these limits their ideas and schemes are ever changing. They assume that the obligations imposed by them are not unduly onerous on any particular class of corporations, but they forget that many of these taxpayers are obliged to comply with not only their assessments but with many other levies, proportionate to the number of provinces in which they may be engaged in business. The inevitable result is an absence of uniformity and justice, and a duplication and overlapping of assessments.

The Canadian provinces lay a good deal of stress on the taxation of corporate capital. This in itself is inequitable since capitalization is a poor criterion of tax-paying ability. Municipal taxes usually take the form of a real estate, business, or income tax, falling on corporations as well as individuals. Now municipal taxation is directly supervised by the provinces, and, to prevent injustice, this supervision should be made and kept real and effective.

Too Many Returns Now

Another point to be considered is the variety of corporate returns which the present system makes necessary. Each taxing authority requires a separate return, the contents of which must differ in many instances with the destination and the cost in time, money, and energy of these cannot be overlooked. Standardization of report forms and uniformity of legislation would help to reduce industrial overheads with no decrease in provincial revenue.

The Dominion Government is to be commended for the reductions in taxations made in the budgets of 1926 and 1927, but it is regretted that dividends paid by manufacturing companies already assessed in corporation taxes, must still pay a second time in personal incomes. It is hoped that the government will see fit to abolish this double taxation in the next budget.

Most of the provinces have reduced their expenditures and balanced their budgets during last year, but municipal expenditures on the whole do not appear to have been curtailed to the same extent, although there are some signs of improvement. To get the best results, all three, Dominion, provincial and municipal governments, should co-operate in keeping down expenditures. At the present time the Dominion, provincial and municipal governments take every year about one-quarter of the value of the net production and about one-seventh of the value of the gross production of this country.

Avoid Unnecessary Expenditures

President Taylor of the Canadian Manufacturers' Association in his annual address to the convention at Calgary held in June last, said "while we want to see reasonable expansion we do not want any more booms," and the danger is that with reviving prosperity, governments as well as private individuals and corporations may rush into unnecessary expenditures and taxes and ultimately bring depression.

We have constantly attempted to live on the same scale as that of the United States, a country which has many times our population and wealth, but we cannot do this without increasing our debts. We might with advantage, take a leaf out of the book of the United States in the matter of debt reduction. She has adjusted her finances so as to liquidate her national debt at the rate of one billion dollars per year, and pay it off in twenty years. We have not the productive capacity, nor financial resources to get free of debt in so brief a space, but we can provide for reasonable expansion, regulate expenditures, keep down taxation and pay off a fair amount of debt annually. This is the problem that every company and individual has to solve, and governments should be guided by similar business principles.

Lower Taxes Than in U.S.A.

The following tabulation showing how Canada compares per capita with the United States, Australia and Great Britain is interesting.

These figures are for the year 1923, but I have no doubt that they reflect pretty well the conditions of affairs at the present time.

	Canada	United States	Australia	Great Britain
National	$37.62	$29.22	$42.26	$79.00
State or Provincial	5.16	8.51	15.86	....
Municipal, etc.	23.33	29.66	11.56	18.12
Total	$66.11	$67.39	$69.68	$97.12

You will notice that Canada actually has a lower taxation as a whole than the United States. This is accounted for in part by heavy municipal taxation in the United States. When it comes to the question of comparison of state, or provincial taxes, we see that the Province of Ontario taxes per capita, is only $5.16, as compared with $15.86 in Australia, and $8.51 in United States. It will be noted in this connection that the provinces of Canada have given to the municipalities a tremendous field of taxation. The result is that they collected $23.33 per capita, over four times as much as is calculated by the provinces.

Debt Is Owing At Home

Taxation is always distressing to the taxpayer. It is a subject upon which uniformity of opinion can hardly be expected. The authority incurring the debt and responsible for the tax seems far distant from the taxpayer, and is not easily brought to account, nor has any method been evolved to prevent additions due to such measures to depart from sound principle. One of the most hopeful features of our situation is that our debt is largely owing to our own people.

Municipalities clamoring for greater taxing power for imposition of income taxation after having collected taxes on business and property will "kill the goose which lays the golden egg."

The recent announcement of the Investment Bankers Association of Canada that the present federal debt can be retired in 40 years by the payment of $23,447,000 a year into a sinking fund, in addition to the interest on the debt now outstanding, throws an optimistic light on our national finances. We are now paying out that amount of interest, of course, and as a matter of fact the reduction in principal in the past few years has averaged just about the amount mentioned. It is, therefore, encouraging to note that all we need do is is keep on at the present rate. Most of the outlay was for the war and there is no direct return from this expenditure. But Canada has the advantage of being a growing country; each year the burden per head of population becomes relatively lighter and the taxes will fall with less weight on the shoulders of the citizens.

Should Be Lower Than Abroad

Meantime, the taxation policy for Canada should be framed from the single consideration of placing our earnings on a lower basis of taxation than any other nation from whose people we can expect money for investment. Nothing can interfere with our progress if we are careful not to place restrictive and discouraging laws on our books. It would seem, however, that we do not think ahead of legislation sufficiently or perceive the problems, organize the materials, chart the lines of growth and direct the course of remedies. In a dynamic changing society and under a form of government providing for state rule on the part of ten separate units, constant law-making cannot be stopped. But citizens can interest themselves in the process in order to direct it more fully, intelligently and effectively than has been the case.

RATIFY BRIDGE SPLIT

MONTREAL.—The split in Dominion Bridge Company stock on a five for one basis was ratified by the shareholders of the company at a special general meeting held here this week. There are 65,000 shares of the common stock outstanding at present, 49,814 of these shares were represented at the meeting, and all voted in favor of the proposed split. This will bring the total of common shares up to 325,000.

G. H. Duggan, president of the Dominion Bridge Co., stated the new stock will be available on November 15th, and that letters patent authorizing the change in capital are now in course of preparation.

We have a reputation for executing electrical construction of heavier natures in out of the way places.

Canadian Comstock Company Limited
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We are well informed on the oil situation.

FIVE YEAR BONDS

Five years is the usual term of a mortgage. "Canada Permanent" Coupon Bonds are issued for the same period, bearing interest at

FIVE PER CENT.

per annum, payable half-yearly.

Investors in these Bonds receive their interest the day it is due. Those who, to obtain a slightly higher rate, lend on mortgage security not only cannot be sure of prompt payment of interest, but have to see that buildings are kept insured, taxes paid and attend to many other details the omission of which might jeopardize their investment.

Please let us send you full particulars of "Canada Permanent" Bonds which are a recognized high-grade security and a legal investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET TORONTO
Established 1855

MAPLE LEAF
INDUSTRIAL
ALCOHOL

HIGHEST QUALITY—BEST SERVICE

Ethyl Alcohol—Cologne Spirits, Denatured Alcohol
(all formulae)

We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the trade.

TRADE MARK

Canadian Industrial Alcohol Co.,
Limited
Montreal Corbyville
Toronto Winnipeg Vancouver

SAINT LAWRENCE FLOUR MILLS CO. PROFITS INCREASE

Working Capital Also Improves With the Bond Interest Lower

MONTREAL.—An increase in profits of over $35,000 is revealed in the annual report of the Saint Lawrence Flour Mills, the fiscal year of which closed August 31st. Profits for 1927 were $90,126, as compared to $54,554 in 1926, and a deficit of $98,300 in 1925. Net income shows an increase of over $35,600, being $84,729, as compared to $49,078 in the preceding fiscal year. Bond interest was slightly lower, being $5,397, as compared to $5,476 in 1926. The working capital position of the company shows a slight improvement, excess of current assets over current liabilities standing at $246,414, as compared with $212,228 last year, and $180,466 in 1925.

Dividends of $40,250 were paid on the preferred stock, but nothing was paid on the 6,000 shares of common stock, this being the second year since 1925 that no dividend has been paid on this stock.

After deducting $5,397 for bond interest and $40,250 for preferred dividends, $3,022 for taxes, and $13,000 for depreciation, there remained a balance of $28,457. This with the previous balance of $158,824 carried forward from the previous year, showed a profit and loss balance for 1927 amounting to $187,281.

A table showing comparative figures for the past three years follows:

	1927	1926	1925
Profits	$90,126	$54,554	*$98,300
Bond int.	5,397	5,476	5,608
Net inc.	$84,729	$49,078	†$103,908
Pfd. divs.	40,250	40,250	40,250
Balance	$44,479	$8,828	†$144,158
Com. divs.	......	......	30,000
Balance	$44,479	$8,828	†$174,158
Taxes	3,022	......	13,117
Balance	$41,457	$8,828	†$187,275
Deprec.	13,000	13,500	66,620
Balance	$28,457	†$4,672	†$253,895
Prev. bal.	158,824	163,497	417,392
P. & L. bal.	$187,281	$158,825	$163,497

*Operating loss.
†Debit.

Working capital position of company for the past three years compares as follows

	1927	1926	1925
C. assets	$635,462	$626,221	$528,540
C. liabs.	389,048	413,993	348,074
W. cap.	$246,414	$212,228	$180,466

Private Wire Connection to New York, Chicago, Winnipeg, Montreal, Toronto and Vancouver.

G. F.
TULL & ARDERN
LIMITED

STOCK, BOND, GRAIN
and
FINANCIAL BROKERS
LANCASTER BUILDING
CALGARY, Alberta

"There's *something* about them you'll like"

ONLY ONE NAME TO REMEMBER

Herbert Tareyton CIGARETTES

AND PIPE TOBACCO

¼-lb. tin, $1.50
1-lb. glass humidor, $3.00

Tareyton is also put up in 25c pocket packages. Heavy foil and parafine lined and specially sealed by the "Falk" patented process, which assures the tobacco reaching the smoker in the best of condition. This is the ideal pocket or pouch package, no unnecessary weight, bulk or difficulty in opening associated with the sealed tin packing.

COSGRAVE EXPORT BREWERY

COMPANY, LIMITED

DIRECTORS:

JAMES F. COSGRAVE, President.
N. L. MacDONALD, Vice-President.
R. O. PETMAN
COL. H. A. STEWART
L. E. CARROLL
J. J. DEVINE, Secretary and Treasurer

TO THE SHAREHOLDERS:

I wish to take this opportunity of pointing out that since the reorganization of the Company in March 1921,—actual operations commencing August, 1921—your Company has earned, to August 31st, 1926, the sum of $324,444.25, and has paid to its Shareholders, in dividends, the sum of $286,000.00; and in addition, the statement to August 31st, 1927, shows a profit for the year, carried to the Balance Sheet, of $88,221.88, less reserve for 1927 Income Tax, of $7,145.97.

During the past year, the only capital expenditures of any importance, to take care of the new Ontario Liquor Control Act, amounted to $30,000.00, covering a further installation of glass enamelled steel tanks, for the storage and ageing of beer, thereby increasing our capacity to fifty-four tanks.

I also wish to draw your attention to the fact that your Company not only carries Fire Insurance to the fullest extent, but in addition has protected its Shareholders by carrying a Profits Insurance, which, in the event of total or partial cessation of business, through fire, guarantees a sufficient sum per day to secure the payment of dividends to Shareholders, and all fixed charges, until the resumption of business.

It may be interesting for you to know that the shares in your Company are widely distributed among over 1,000 Shareholders.

The business for the ensuing year, augurs extremely well, in view of the fact that the sales for the three months under the Liquor Control Act, from June 1st to August 31, the end of our Fiscal Year, was close to 50% of the total business for the whole year.

JAMES F. COSGRAVE,
President and General Manager.

Toronto, September 30th, 1927.

BALANCE SHEET, 31st August, 1927

ASSETS:		
Cash on Hand	$ 13,968.77	
Accounts Receivable less Provision for Doubtful Accounts	48,596.67	
Stocks of Beer, Malt, Hops & Supplies	83,018.33	
Stocks of Barrels, Cases, Bottles, Wrappers, etc.	46,924.00	
		$ 192,507.77
Premium on Life Insurance		945.00
E. E. Vipond as per Agreement		21,893.67
Plant and Equipment	412,904.75	
Buildings	250,592.81	
Land	93,900.00	
		757,397.56
Deferred Charges		5,927.36
Goodwill, Trade Marks, etc.		282,716.63
		$1,261,387.99
LIABILITIES:		
Accounts & Bills Payable including Income and Sales Taxes to date	$ 59,421.74	
Provision for Manufacturing Taxes	38,538.72	
		$ 97,960.46
Dividends Payable 15 Sept. 1927		12,500.00
Mortgage Payable & Interest		56,966.73
Capital Stock Paid Up	1,000,000.00	
Surplus	93,960.80	
		1,093,960.80
		$1,261,387.99

Signed on behalf of the Board,
J. F. COSGRAVE,
N. L. MacDONALD,
Directors.

GENERAL PROFIT AND LOSS ACCOUNT

1926 31 Aug.	By Balance			$ 62,945.00
1927 31 Aug.	To Additional Income Tax Re 1925		$ 1,130.00	
	To Dividends			
	30 Nov. 1926	$12,500.00		
	28 Feb. 1927	12,500.00		
	31 May 1927	12,500.00		
	31 Aug. 1927 Payable 15 Sept. 1927 ...	12,500.00		
			50,000.00	
	By Decrease in Income Taxes 1926			426.12
	By Profit for Year			88,922.39
	To Reserve for Income Tax 1927		7,202.71	
	To Surplus carried to Balance Sheet		93,960.80	
			$152,293.51	$152,293.51

AUDITORS' STATEMENT

Toronto, Sept. 30, 1927

We have audited the books and accounts of Cosgrave Export Brewery Co., Limited, for the year ending 31st August, 1927 and have obtained all the information and explanations which we have required. The Plant, Equipment & Buildings are shown at the depreciated values as shown by an appraisal made by The Dominion Appraisal Co., Limited, as at 31st August, 1927. The valuation placed on the Land was also prepared by The Dominion Appraisal Co., Limited. We certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs according to the best of our information and the explanations given us and as shown by the books of the Company.

(Signed) WILTON C. EDDIS & SONS,
Chartered Accountants.

Municipal Income Tax

Its Strengths and Weaknesses and Possible Substitutes

By JOSEPH E. HOWES,
Assistant Director, Citizens' Research Institute of Canada.

Some Chapters from The Financial Post Government and Municipal Survey shortly to be published.

ARTICLE TWO

A consideration of the main criticisms of municipal income taxation should be helpful in arriving at conclusions as to its propriety as a course of municipal revenue. Some of the main criticisms are as follows. Here again the working of the Ontario Act has been used for illustrative purposes.

1. It Bears Heavily on the Salaried Class.

This is, no doubt, the principal argument against the income tax. It certainly is difficult, if not impossible, to refute it by any available facts and figures. If it could be proven that it was not so, it would be one of the greatest compliments which could be paid to our high sense of civic honor. The weight of the argument lies in the fact that salaries and wages are definite, ascertainable amounts which can easily be checked up by the assessor whereas other sources of taxable income may escape since these depend for discovery to a greater extent on the honesty of the income taxpayers' return. Gladstone once said that the income tax made liars of the nation. It has also been said that no man should be made his own assessor. There is no doubt that a "personal" tax lends itself much more easily to evasion than does a tax on "realty." There is no doubt also that a proper levy upon income is not possible in a community which is not fairly advanced both in its people and in its government since it presupposes that people are intelligent enough to make returns and honest enough to make correct returns. In the opinion of many economists the drift of taxation is from taxes "ad rem" to taxes 'in persona" or from specific taxes to personal taxes, but have we reached that stage in government development where evasion of personal taxes is at a minimum?

Possibilities of Evasion Considerable

In considering this argument in connection with the municipal income tax as levied in Ontario, the supplementary nature of the tax previously mentioned must be kept in mind. This tax is not intended to reach all income but merely income not otherwise taxed. It would, therefore, in its very essence fall more heavily on salaries and wages. I regret that statistics as to occupation of municipal income taxpayers are not available for the cities within the province, but even these would not prove anything absolutely inasmuch as refutation of this criticism would require proof not only that all those taxable were making returns but that they had made returns of all taxable income. In Toronto, according to the Assessment Commissioner's Report for 1926, about 100,000 individual income returns were received by the department, or a return for one out of about every six residents. There were 43,494 income taxpayers or 7.8 per cent. of the total population with a taxable income assessment of $75,253,684, an average assessment of $1,734 per taxpayer. The Commissioner's Report for 1924 showed that 47.4 per cent. of the total income assessment came from personal earnings. The 1927 report shows 73 income taxpayers of $50,000 or over who were assessed on a total amount of $13,006,475, or an average of $178,170. While careful checking is of great assistance in bringing about equitable enforcement of the Act, information as to income from unregistered bonds for instance must come to a great extent from the taxpayers' returns and the possibilities of evasion are considerable.

2. It is Not Enforced Uniformly.

The Act specifically calls for the assessment of income by the assessors of all the municipalities just as it calls for assessment of real property and business. It is notable, however, that the report of the Bureau of Municipal Affairs shows 278 out of a total of 563 rural municipalities and 57 out of a total of 299 towns and villages in which no income assessment was reported in 1925. The same publication, however, shows that income assessment was reported by all cities. As far as omissions in rural municipalities are concerned, these do not lend great weight to the criticism inasmuch as the income of a farmer from his farm is exempt and many rural municipalities may not have residents with other incomes of an amount sufficient to render it taxable. It would appear, however, that many rural assessors interpret the ruling to mean that the income of a farmer is exempt rather than income of a farmer from his farm. Lack of income assessment in towns and villages is more serious. In some of the smaller municipalities this lack may be accounted for in the same manner as in rural communities, but with others one can only conclude that the omission is deliberate and for a definite purpose. It is impossible to reconcile the fact that in one Ontario high-class suburban municipality the number of income taxpayers is 11.7 per cent. of the total population and the income assessment 25.1 per cent. of the total assessment whereas in another semi-suburban municipality in which are contained many fine homes no income assessment is returned. It is equally impossible to reconcile the fact that in a group of contiguous municipalities one has 5.3 per cent. of its population with taxable incomes forming 5.8 per cent. of the total assessment whereas in the one next door the income assessment is but 2 per cent. of the total assessment and in another but .4 per cent. of the total assessment.

Variation in Different Cities

The following table illustrates the fact that there is considerable variation in the percentage which income assessment forms of total assessment in Ontario cities, but it, on the other hand, shows that cities at least try to enforce the Act with some uniformity. It is worthy of note that in Hamilton, an industrial city, 5 per cent. of the total population is assessed for income; Ottawa, a city of almost the same size but with a large number of salaried residents, 5.9 per cent. of the residents have assessable incomes; London, a smaller city, has 7.1 per cent. and Toronto, 7.8 per cent. In Oshawa, an industrial city, 3.8 per cent. of the population are income taxpayers but the income assessment forms 10 per cent. of the total assessment and in Brockville these figures are 2.1 per cent. and 10.3 per cent. respectively.

City	Number of Income Taxpayers	% Income Taxpayers are of total Population	Average Income assessment per Taxpayer	% which income assessment forms of total Assessment
Toronto	43,494	7.8	$1,730	8.1
Hamilton	6,140	5.0	1,396	5.6
Ottawa	7,013	5.9	1,677	8.1
London	4,573	7.1	913	5.6
Brantford	1,059	3.8	1,460	5.7
Kitchener	966	3.7	1,285	5.6
Fort William	947	4.2	827	2.6
St. Catharines	843	3.8	1,622	6.2
Sault Ste. Marie	670	3.1	1,147	4.5
Kingston	706	3.3	1,788	7.2
Peterborough	573	2.7	1,564	4.7
Guelph	297	1.6	1,904	4.2
Stratford	414	2.3	1,297	3.7
Niagara Falls	659	3.6	666	2.6
Port Arthur	619	3.6	678	2.2
Oshawa	662	3.8	1,865	10.0
St. Thomas	583	3.5	989	3.5
Sarnia	683	3.4	934	3.7
North Bay	426	3.3	790	4.3
Belleville	425	3.4	895	3.9
Galt	480	3.8	1,365	6.1
Owen Sound	266	2.2	1.552	4.9
Woodstock	203	2.0	1,488	4.3
Brockville	187	2.1	4,651	10.3

A consideration of the facts would seem to show that Ontario cities all attempt to assess income under the Act, although with doubtful uniformity, that in centres such as semi-urban and border cities in which the evasion of the Act might induce citizens to locate in the municipality, this form of taxation is forgotten and that in many rural municipalities it is ignored as being of little consequence.

3. It is Inquisitorial.

There can be no doubt that an income tax unless collected at its source must, if it is to be effective, demand answers from taxpayers to certain searching questions. One cannot, however, reconcile the fact that criticism is made on the grounds that it does not reach all incomes, and on the other hand that it is inquisitorial. If evasion is not to be rampant, it must partake of the latter quality. The fact that the information gathered is presumed to be private to the department is a partial answer to this criticism. The taxable amount of the income, however, does appear on the assessment roll and is available to anyone who cares to search the roll.

4. It Prevents Us From Competing With Provinces Where no Municipal Income Exists.

This, at first glance, would seem a well-founded criticism, but after analysis it is not so convincing. In the first place the amount expended by a municipality regulates the amount of taxes which must be paid for municipal purposes. If expenditures are high, it is doubtful if a business would benefit from the shifting of the taxation now borne by income to that now borne by real property and business. Most businesses, particularly manufacturing businesses, require a fairly large amount of real property for their use. Such a business, if it owns its property, now pays real property tax, or if located in a rented premises we will presume the rental to cover this tax, and in addition, a business tax. There can be do doubt that if the income tax were discontinued a great many people now paying taxes directly would be freed from this obligation and the rate of taxation on real property and business would have to be increased to make up the deficiency. Speaking generally, in what way would business be benefited for competitive purposes by the change? The reverse would rather appear to be the case.

Taxation Only One Element in Costs

Then again, in the Canadian provinces, with one exception, if the municipalities do not levy an income tax either an income tax is levied by the province, usually on a graded scale, or the province collects revenue by means of a land tax, and sometimes both. Neither relieves the municipal tax burden except insofar as larger provincial grants for municipal purposes, such as education, etc., may be made. No matter what form municipal taxation takes, if the expenditures for municipal government are extravagant, anyone doing business within the municipality will most likely have to bear taxation somewhat in proportion and in this way be less able to compete with a similar institution situate in a municipality where expenditures are kept on a sound economic basis. In any event, taxation is but one element which goes to make up costs.

5. It is Not Just to Levy Two Income Taxes.

It certainly would be more pleasant if we only had one income tax to pay. The justness of the levy, however, may be a point entirely aside from this fact. If one buys meat, he does not think of kicking about paying for the potatoes just because both have to be paid for out of the same salary. Services provided by the Dominion government are in the main different from those provided by the municipality. Just because we are paying for Dominion war expenditures out of our income, is it any valid reason why we should object to paying out of the same income for the services provided by our schools?

If the income tax is a just tax there is nothing unjust in applying it for municipal purposes as well as for federal purposes. In this connection it is interesting to note that nearly all the commissions appointed in recent years to study taxation report favorably on the income tax as a means of obtaining revenue for either state or municipal purposes. This, in face of the fact that an income tax for federal purposes exists. The special joint commission on taxation and retrenchment in the State of New York in its 1927 Report says: "We are thoroughly convinced that the income tax is the only satisfactory method of reaching intangible property." The income tax is used for state purposes in New York State.

6. Is it Not Just to Tax Income Since it Receives No Special Benefit From the Municipality?

This is not a criticism so generally expressed as the others mentioned, but it has been raised on several occasions not only editorially in the Ontario press but at meetings of business men considering the subject. The position usually taken in such arguments is that a person pays on property for the services he receives and then has to pay on income besides. What extra value has the community given him for this additional taxation? As one editorial expresses it, there is no reason behind it, but it is just "easy picking" for the municipality.

Compromise Between Tax Theories

Practical taxation is usually a compromise between the "benefit" theory and the "ability" theory. Taken from the "benefit" theory standpoint, is it correct to state that the "income" or "personal" receives no special benefit from municipal expenditures? True, much of the municipal expenditure is for the benefit and protection of real property, but are not expenditures on education and health, to mention only two services which, however, usually make up at least one-third of the total municipal expenditure, primarily made for benefit of the "person" rather than for realty? Then from the "ability" standpoint, which is more likely to be a true measure of a man's ability to pay taxes—the amount of real property he owns or the income he receives?

The Wisconsin Tax Commission, where the income tax has been in force since 1911 for joint state and municipal purposes, says: "The Income tax and the real estate tax are consistent with and well calculated to supplement each other and there is ample precedent for a combination of the two in nearly all European countries." The income tax for municipal purposes was recommended by the Board of Valuation and Review in Winnipeg. Many instances, of similar recommendations by like bodies, might be given but these serve to show the trend of thought where the matter has been given serious consideration and study.

Increase the Return From Your "Trustee" Funds

by using the facilities and experience of this organization.

This Corporation is a legal depository for trust funds.

Consultation entails no obligation.

THE STERLING TRUSTS CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

New Issue October 13, 1927

$41,500,000

United States of Brazil

(6½% Loan of 1927)

6½% External Sinking Fund Bonds of 1927

To be dated October 15, 1927 To mature October 15, 1957

Authorized: this issue of $41,500,000 of bonds, and an issue of £8,750,000 of 6½% Sterling Bonds of 1927 which are being simultaneously offered in Europe by N. M. Rothschild & Sons, Baring Brothers & Co., Limited, and J. Henry Schroder & Co., London, the bonds of both issues constituting said 6½% Loan of 1927. Interest payable April 15 and October 15. Non-callable except for the sinking fund. Coupon bonds of this issue in denominations of $1,000 and $500 registerable as to principal only. Principal and interest of bonds of this issue payable in New York City in United States gold coin of the present standard of weight and fineness, at the principal office of Dillon, Read & Co., or, at the holder's option, in London in sterling at par of exchange at the office of N. M. Rothschild & Sons. Principal and interest of bonds of the sterling issue payable in London in sterling at the office of N. M. Rothschild & Sons, or, at the holder's option, in New York City in United States gold coin at par of exchange at the principal office of Dillon, Read & Co. Principal and interest of bonds of both issues collectible in Amsterdam, Zurich or Stockholm in the respective local currencies; in each case at bankers' buying rate for sight exchange on New York, in the case of bonds of this issue, or on London, in the case of bonds of the sterling issue. The National City Bank of New York, Countersigning Agent for this issue.

Principal and interest payable without deduction for any Brazilian taxes, present or future

An accumulative sinking fund calculated to retire all bonds of both issues by maturity by semi-annual call by lot at 100% and interest

The Brazilian Government has agreed to make application in due course to list this issue on the New York Stock Exchange.

The following information has been furnished by His Excellency, Dr. Getulio Vargas, Minister of Finance:

SECURITY

The 6½% External Sinking Fund Bonds of 1927 will be the direct obligation of the United States of Brazil, and are to be issued under authority of Legislative Decree 5108 of December 18, 1926. The bonds of both issues, in the opinion of counsel, will be specifically secured, subject to the charges of the 6½% Loan of 1926, by charges on: (a) Income Taxes and Taxes on Invoices (Contas Assignadas Duplicatas), (b) Consumption Taxes, subject also to the charges of the 8% Loan of 1921, and (c) Import Duties, subject also to the charges of the 5% Sterling Loans of 1898 and 1914 and the 8% Loan of 1921. The total revenue derived by the Government from the above sources in 1926 was approximately $150,000,000. If the indicated annual prior charges, now amounting to approximately $15,000,000 (including sinking funds), were deducted from this revenue for the year 1926, there would remain a balance of approximately $135,000,000. The service of the entire amount of bonds now being issued, for interest and sinking fund, calls for $6,405,508 per annum.

SINKING FUND

An accumulative sinking fund, applicable against each issue ratably, is provided for, calculated to retire all bonds of both issues by maturity by semi-annual call by lot at 100% and accrued interest, first call April 15, 1928.

RESOURCES

United States of Brazil, with an area in excess of three and one-quarter million square miles, comprises approximately half the continent of South America, and is approximately equal in area to the United States (excluding Alaska), Great Britain, Holland, Belgium, Portugal and Switzerland combined. Its wealth in agricultural and mineral products is widely diversified. Brazil is the largest producer of coffee in the world, and exports in addition to coffee large amounts of sugar, cotton, cocoa, tobacco and rubber. Its mineral resources, which include iron ore, manganese, gold and precious stones, are known to be extensive. The present population of Brazil is in excess of 36,000,000, and has increased approximately 110% in the past twenty-five years.

NATIONAL DEBT

The national funded debt of Brazil on December 31, 1926, but after giving effect to these issues, was approximately $1,067,000,000, of which approximately $768,000,000 was external. This represents a per capita total funded debt of approximately $30, as against which the per capita national wealth is estimated at approximately $530. The proceeds of the present loan will be applied towards the liquidation of Treasury obligations of the Government including its floating debt, a necessary step for giving effect to Legislative Decree 5108 of December 18, 1926, which provides for the changing of the monetary system of Brazil.

All conversions of Brazilian paper milreis into United States dollars have been made at the approximate current rate of exchange. Other conversions have been made at par of exchange.

Information herein contained has been received in part by cable.

We offer these bonds for delivery if, when and as issued and accepted by us, subject to the approval of legal proceedings by counsel. Legal matters relating to this issue in the United States will be passed upon by Messrs. Cotton & Franklin, New York, and in Brazil by Dr. Alfredo Bernardes da Silva, Rio de Janeiro. It is expected that delivery will be made on or about November 1, 1927, in the form of temporary bonds, or interim receipts of Dillon, Read & Co.

Price 92½ and interest. To yield over 7.10% to maturity

Dillon, Read & Co.
The National City Company Lee, Higginson & Co. Blair & Co., Inc.
J. Henry Schroder Banking Corporation White, Weld & Co.
International Acceptance Bank, Inc.
Kissel, Kinnicutt & Co. Ladenburg, Thalmann & Co.
The First National Corporation OF BOSTON Continental and Commercial Company
Illinois Merchants Trust Company The Union Trust Company CLEVELAND
Hemphill, Noyes & Co. Shields & Company INCORPORATED Paine, Webber & Co.
Cassatt & Co. Edward B. Smith & Co. Janney & Co.
Dominion Securities Corporation, Limited

BESCO MINERS URGE RENEWAL OF WAGE PACT

Company is Not Expected to Oppose Continuance of Agreement

From Our Own Correspondent

SYDNEY.—Preliminary wage negotiations looking to a renewal, with possibly some slight revision, of the present wage contract between the British Empire Steel Corp.'s mining subsidiaries and their 10,000 employees, probably will get under way here about November 1st, it is learned at U.M.W. headquarters in Glace Bay.

Although the agreement does not expire until January 28, 1928, both parties are taking time by the forelock with a view to preventing any unnecessary interruption of work early in the New Year. The present scale, based upon the findings of the Duncan commission, is the document that actually brought to a close the fierce and protracted Cape Breton labor troubles that began in 1920 and culminated in the five months' strike of 1925.

Expect Agreement Renewal

Under the terms of that contract the wage scale was to have been revised every six months in accordance with the prosperity of the Company, the rates, however, never to fall below those set by the contract itself. This feature of the settlement has proved a disappointment, thus far, for although the company has been active during the greater part of the two years the pact has been in force, examination of its books by Gordon Scott and other accounting experts employed by the U.M.W. shows that the profits were not large enough to justify any general increase.

It is learned that the miners would be quite satisfied to renew the agreement as it stands with possibly some minor changes as to working conditions, and some slight increase for lower paid men. It is not believed that the company intends to try to lower the scale.

It should be remembered that while the Dominion Iron & Steel Company is in the hands of Toronto interests, the principal coal operators — Dominion Coal, Acadia Coal, Cumberland Coal and Railway Company and Scotia—are still dominated by Roy M. Wolvin and his officials. These and the U.M.W. district officers, from force of habit, may indulge in some fencing and manoeuvering, but no serious trouble is anticipated.

FOLKS and Finance

ENGLISH financiers and statesmen are usually good bridge players. The better ordered life of the Englishman provides ample time for studying the game. Rt. Hon. Reginald McKenna, who has been in Canada recently, is a particularly keen player as some Canadians who came over on the boat with him now know.

McKenna heads the world's largest bank yet he usually finds time to drop into his club between office and home for a rubber of bridge.

SIR WILLIAM VAN HORNE was a most prodigious worker. Canada has probably never seen another mind so powerful in each of half a dozen different interests. Vaughan's book on Van Horne has told of these interests that embraced geology, art, sculpture and a host of other things besides railroading. Van Horne slept but little. His days were long enough to embrace more than the average man can grasp.

A prominent Canadian tells of being taken to see Van Horne at his Montreal home. Van Horne was in his usual form; he talked on and on, from one hobby to another. At half past two his visitors made a move to go. "No, stay," said Van Horne. "I have not got around to geology yet." The visitors stayed; their eyes drooping they tried to keep up with the powerful intellect of Van Horne. "You know I feel fit if I get one night's sleep in two," Van Horne explained. He expected others to carry on as he did.

There are plenty of Canadians who have worked with Van Horne, who recall nights when he would stay up until six in the morning talking about art or playing poker. When the sun rose he would take a stiff bracer and go out for a day's work. His clothes would not have been off his back.

IT RECALLS a practically forgotten episode in the early Canadian career of E. R. Peacock to state that this eminent British financier, when a master at a Toronto "prep" school, wrote a book on Canada. He prepared it at the direction of Hon. Clifford Sifton, then minister of immigration. It was for distribution to the school children of the British Isles.

When he admits this fact to his friends, Mr. Peacock whimsically sighs that the only book he ever wrote had to be given away. "But they did it very well," he adds. "They gave away two million copies."

When the book came out, the then general manager of the Canadian Pacific Railway sent for him. "Now that you have written a book about Canada, I want you to see the country," said the railway head, not without some humor. He gave Mr. Peacock a general pass over the system and Col. George Ham gave him letters of introduction to important people all over Canada. It was a great experience for the young school teacher.

Just now, Mr. Peacock, in his capacity of director of the Canadian Pacific Railway, is again touring Canada, revisiting the scenes of his early voyage of study. But this time it is not on a pass, it is in a private car.

Three European Nations Are Still Indebted to Canada

Money owing to Canada by foreign governments is relatively small as compared with external loans granted by Great Britain or the United States.

At the present time, the amount of the Greek debt to Canada outstanding is $7,300,000. This debt was originally $8,000,000, but it has been funded on a serial basis, the last payment to be made on December 31, 1948. The initial payment was $80,000, and the amounts due increase on an average of $5,000 every six months. The final instalment will be at the rate of $275,000.

The original Roumanian debt amounted to about $20,500,000. It has been funded and with interest added, aggregate $23,969,720. The 4 per cent. bonds, due April 1, 1968, are an obligation on the general credit of the country and are additionally secured on the national revenues from export taxes. No part of the principal has been redeemed.

The amount owed Canada by Belgium totals £930,480, or $4,528,336, for the sale of horses and equipment made at the end of the war. This debt is not funded, but is secured by treasury notes and is due March 12, 1929 it bears interest at the rate of 5 per cent.

Letters to the Editor

DIVERSIFIED SECURITIES

Editor, The Financial Post:—I can understand the difficulties the editor of your enquiry column must have to contend with, and as one who reads most diligently his answers I desire to commend him for the fair and impartial manner in which his subjects are dealt with.

May I be permitted to refer to an answer which appeared recently, and which referred to the Diversified Standard Securities, of which I am one of the directors. In this answer the statement is made that "if the Diversified Standard Securities had on its board one or two men with a record of outstanding successful investment management behind them . . . . etc., etc."

You can understand that the position of a director on a board of any investment company is not a desirable one, unless it is felt that the company have an organization which is competent to deal with the particular business in which it is engaged, subject, of course, to the direction of those whose business it is to direct. An investment trust company must necessarily have a good advisory board, which I think we have. May I point out that in any organization such as the one to which I refer, it is necessary that such an advisory board be established before whom are placed any proposed investments, and who, before coming to any decision regarding the purchase of any securities are fortified with all reasonable statistical information that can be procured.

As the stock of the Diversified Standard Securities is secured by the stocks of the Standard Oil Companies, the statistics of these companies are the only ones to which study and attention has to be given, which is a favorable factor, I believe, in comparison with other investment trust companies, who scatter their investments broad-cast. That is, if you believe in the future of oil, and its uses, and in Standard Oil Securities, whose records in the past have been most successful. I believe, as a director of the Diversified Standard Securities, that we have such an advisory board, but if not, then as a director of the company I would like to insist that such be procured.

May I also point out that an advisory board choosing selected securities in which we are authorized to invest must adhere to the by-laws, which only permit fifteen cents of any one dollar to be invested in one stock. This restriction I believe to be a very conservative one.

These features together with the further fact that no certificate for preferred stock can be issued unless and when the cash or necessary securities are in possession of the trust company who alone can issue such certificates, leads me to the belief that I can with confidence recommend the stock to my friends.

I would hope that if further inquiries are to be made that you will be good enough to have one of your staff fully investigate the operations of this company, and any information that is required, I know will be freely given in order that a fair answer may be given to your subscribers.

—W. E. FOSTER.

St. John, N. B.

Pulpwood Supply

Editor, Financial Post.
Sir:—

A Toronto newspaper recently said editorially:

"From time to time fears are expressed that with the tremendous demands being made by foreign and home newspapers on the pulpwood resources of Ontario and other provinces, the supply of this natural resource of the Dominion would rapidly become depleted. Had the governments of the different provinces not taken steps to prevent this, the fears would have been well founded. However, under the plan of reforestation as adopted by the Ontario government this timber is replanted as it is taken off, thus assuring a continuous supply of pulpwood."

This newspaper not only owes it to its readers, but it would be performing a public service as well if it would explain how the miracle of providing for the future of our great pulp and paper industry, by the planting of tiny seedlings at this late date, is to be performed. It will take 40 years at least for these seedlings to reach even pulpwood size.

Now, if you take government statistics for the amount of the present stand, for the quantity consumed and the amount destroyed by fungi, fire and insects, and then offset the annual growth by the ever increasing loss from wind, it is proved that ten years' supply is the limit that we can figure on.

This is the same figure arrived at by me independently in my personal investigations.

These figures make no provision either for the progressive increase in the consumption of wood through the expansion of our rapidly growing paper industry.

In any event, the total number of seedlings now being planted annually in the entire Dominion provided they all survive the attacks of fungi, fire, insects and wind for the 40 years necessary for their growth, would not be sufficient to supply one of our large paper mills for twelve months.

Despite this alarming situation, our government does nothing to save or even prolong the life of Canada's greatest manufacturing industry by stopping the ever increasing export of our raw pulpwood.

Frank J. D. Barnjum,
Annapolis Royal, N.S.

Investors Enquiries

Brewery Stocks

Is Pilsener Beer a good investment at $5.50 per preferred share with 20 of common with each 100 preferred?

Pilsener is one of the smallest brewery companies operating in Ontario. If you want to invest in a brewery stock, we would recommend Carling, which is a well known, old established company with a proven record of earnings. At the present time, this stock is returning a yield of approximately 8 per cent.

Laura Secord

Laura Secord Preferred is selling at lower prices in recent weeks. Do you know the reason?

We do not think you have any reason to worry because the preferred stock of Laura Secord slipped back a point or two after you purchased it. The company is reported on reliable authority to be doing very well, and with general business conditions in Canada reasonably satisfactory, the outlook is bright.

It is impossible to say when the company will pay dividends on its common stock. The preferred can be converted into common at any time, but of course, it would not pay to do so until dividends on three shares of common stock are more than equal to the dividend on one share of preferred stock.

Appreciation Only

I will be much obliged if you will give me some advice regarding the investment of a sum of money which will become available about the first of next month. This will amount to approximately $15,000. I would appreciate your suggestions regarding diversification. The return is not so important as safety and the possibility of appreciation.

For the investment of such a sum as you mention and desiring diversification and appreciation of principal without regard to income, we would suggest the following securities: Shawinigan Power and Water Co. common stock, Montreal Light, Heat and Power, Cons. common stock, Imperial Oil common stock, International Paper common stock, Teck-Hughes Gold Mines, Lake Shore Gold Mines, Canada Bread common, Winnipeg Electric common, Penmans common.

The above companies are sound and outstanding leaders in their respective fields. The yield in most cases is low, but the earning records of the companies over a period of years has been particularly good and from time to time they have declared bonuses or stock dividends, which bring the yield up to a comparatively high level.

Diversified Securities

I would like your advice on an investment which I am contemplating, viz.: "Diversified Standard Securities, Limited." I would like your views as to whether I should purchase the preference shares alone at $26.25 to yield me 6 7 per cent., or purchase these preference shares in units with the common stock at $25 par value, plus whatever they are asking for the common ($12.50 I believe). Units to consist of one for one. Many of my friends have gone into this, but before doing so I would like your views and suggestions.

If you intend investing in the stock of Diversified Standard Securities, Ltd., it would appear that the company's offer of a unit consisting of one share of preferred stock and one share of common stock at $35 would offer more attractive possibilities than one share of preferred at $26.25. The most you can hope from your preferred stock is a maximum yield of 7.6 per cent., and there is a possibility of this stock being redeemed by a bond issue. By securing your quota of common stock with the preferred, you stand to profit by any appreciation in value it may show, increases in the dividend rate, or any stock dividend that may be declared.

As to the merits of Diversified Standard Securities, we are of opinion that if the company had on its board one or two men with an outstanding record of successful investment management behind them, we would regard the shares as an attractive business man's purchase.

Manitoba Power

Would you please inform me if you consider Manitoba Power Company 5½ per cent. first mortgage sinking fund gold bonds a first-class security, and a perfectly safe investment. Is it one that can be realized without any difficulty or loss of capital?

Manitoba Power 5½ per cent. first mortgage sinking fund bonds, series A, dated January 1st, 1926, were offered at 97 at the date of issue. They are now selling at 102. The bonds are secured by first mortgage on hydro electric plants and transmission lines, and by collateral lien through pledge of stock of the Winnipeg River Railway Company, on 13½ miles of standard guage steam railway. They are further secured by power contracts with the Manitoba Pulp and Paper Company, and with the Winnipeg Electric Company. The bonds are guaranteed by the Winnipeg Electric Company.

The fixed assets of the Manitoba Power Company, as given in the 1926 balance sheet amount to $12,319,833.

With such security behind these bonds, and in view of the strong directorate of the different companies interested and of the promising future which would appear to lie before the company, we believe Manitoba Power Company's bonds to be a first class security, and a safe investment. At the price at which the bonds are now selling you should have no difficulty in disposing of them at a profit if you so desire.

Asbestos By-Products Corp.

What do you think of Asbestos By-Products Corporation stock as an investment?

Asbestos By-Products Corporation is being organized to manufacture brick, tile, sewer pipes, shingles and wall boards from the by-products of asbestos.

According to the prospectus issued by the promoters the corporation has a contract for its raw material for a number of years at a very low price, and patents protecting it in the exclusive use of asbestos refuse in the manufacture of building materials. It claims that the product has been tested by the best chemists and found to be superior in every way to like products manufactured from other materials. It further states that it can manufacture its products at a lower price. It proposes to finance the erection and equipping of a plant for the manufacture of its products, to be situated in Montreal East, by the sale of 5,000 cumulative preferred shares of par value of $100 each, and 5,000 common shares of no par value. It proposes to offer this stock in 1,000 units at a price of $240 per unit, each unit to be made up of two preferred shares and two common shares.

All that the company claims may be perfectly true, but the venture must be considered a highly speculative one. Until the erection and equipment of the plant the investor has no security for his money and he can expect no return on his investment until the company has not only proven its claims as to the low cost of manufacture of the product, but has also established a market for it on its merits.

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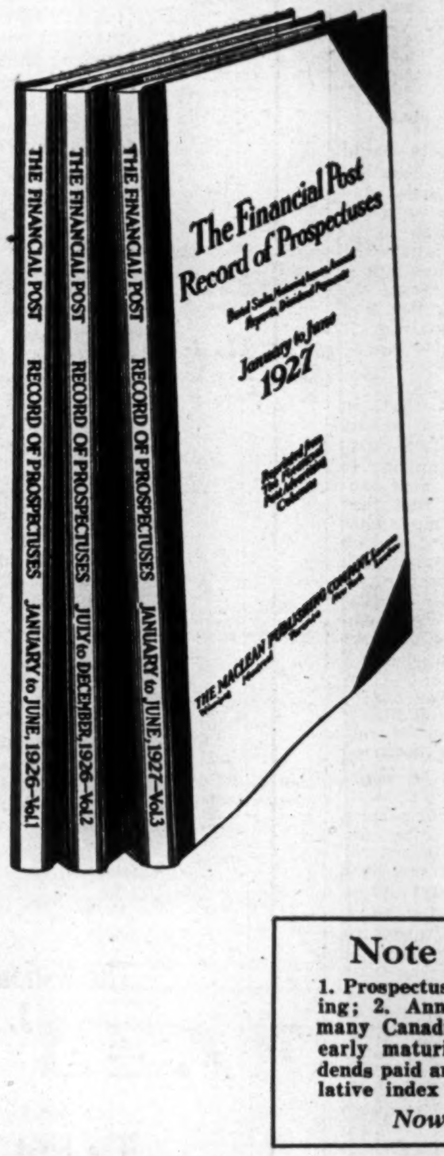
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Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, OCTOBER 21, 1927 Member of Audit Bureau of Circulations No. 42

Northern Manitoba Has Two Huge Mines, Flin Flon and Sherrit-Gordon

Latter Property Has Come Along Quickly—Ore of Excellent Grade

WATCH FLIN FLON

Power and Railway Development is Likely to Follow Very Soon

Public attention is being focused on Northern Manitoba. Minerals Separation has until Dec. 1 to take up its Flin Flon option and the market for Mining Corporation shares indicates an optimistic outlook in this regard. But perhaps overshadowing this situation, especially among informed mining men is the development taking place on the Sherrit-Gordon property, 35 miles north of Flin Flon.

Recent spectacular results added to what was already known of the ore makes it loom as the outstanding development of the year. It is understood that for purposes of examination, a trench was run across the ore body and it showed a width of 82-ft. and sampling gave 9 per cent. copper and 16 per cent. zinc. At present prices this gives $23.40 copper and $19.36 zinc or $42.76 per ton.

It is understood that Percy Hopkins, former Ontario Government geologist, has completed an examination of the property.

Ore has been exposed on the Sherrit-Gordon for a distance of three and one-half miles and trenching since August has disclosed 2,000 ft. of good ore on the east end of the property.

Two gasoline diamond drills were taken in by plane and 50 tons of supplies.

40 Men Working

A force of 40 men are working on the property, and a rigorous campaign of development is under way, it being the intention of the management to open up as much ore as possible by next summer.

Seven trenches to the easterly end of the property are located east of where the diamond drilling was done, have all been in ore, greatly enhancing the value and tonnage of the property.

The engineers who have examined the property since the latter part of August all agree that the Sherrit-Gordon has the making of one of Canada's greatest mines, and development as to tonnage is assuming great proportions. To-day it is conceded that the property is on a par with Flin Flon. It is understood that the plan of the management is that they will have $20,000,000 in ore blocked out by 1929 and this is not hard to figure when it is considered that the ore zone at present is 18,000 ft. long, and is still being added to on the east. The width of 15 ft. is being well maintained throughout. It is also pointed out that a depth of 1,000 ft. on the ore will give 1,450 ft. of backs because of the dip of the ore body, about 45 degrees.

What May Happen

One engineer who visited the property estimated that this would give a tonnage of 38,000,000, allowing 10 cubic feet to the ton and at $14.50 per ton would work out at $551,000,000 gross down to 1,000 ft. vertical. It is understood that the plans are to put in a complete plant so that shaft sinking may be launched at once. The plant will be shipped to The Pas and taken in as soon as the ice is sufficiently strong to allow for teaming.

Sherrit-Gordon was first diamond drilled by Fasken-Earle interests,

(Continued on page 28)

Manitoba Making New Mine History

WINNIPEG. — Prof. Robert Wallace, commissioner of Manitoba mines, says that mining developments such as had never been equalled in the history of Manitoba were likely to feature the next six months. Mining, he said, had to be looked upon as a business proposition. It so happened in this country that mines are found in places to which access was not easy and no railroad could be expected to lay tracks into the north country until it knew prospects there. After a great deal of hard work it now appeared that sufficient wealth lay in Manitoba to merit the construction of railroads necessary for development, he stated.

ABANA IS ADDING $1,500,000 NEW ORE EVERY 30 DAYS

Driving Now to Cut Additional Lenses on 300-ft. Level

While considerable news has been filtering out from Abana property in Northwestern Quebec, the operation is so far out of the beaten path and away from the other operators that few data come out in regard to the prospects of the operation.

The last public information dealt with the development on the 300-ft. level, where some 13-ft. of solid ore, running better than $38 per ton, was cut. This was in a crosscut, and since then the second body has been cut which shows 17-ft. of zinc, and from the looks of the ore, it is said that this body will run high as it did where cut on the 100-ft. level.

The information secured on the property to-day indicates that striking from east to west, are a series of lenses of ore which are quite narrow some 50-ft. west of the shaft, but which widen steadily as they move eastward from the shaft. The dip is about 60 degrees to the east, and it is the intention to continue the present 300-ft. level drift a considerable distance to the east and then raise and sink at the same time, what will be the main operating shaft of the company. Because of the dip of the ore, the present shaft, if continued, would soon be out of the ore zone and to the west of it, as operations were carried deeper.

As to the other lenses of ore that are yet to be cut on the 300-ft. level, the management expects that the next lense will show some 22-ft. of solid chalcopyrite, and another considerable massive chalcopyrite. Driving on the ore is now proceeding at the rate of about 100-ft. per month.

Last Payment on Jubilee Break Group

Pioneer Mining Corp. has made the last payment, $60,000 on the claims in Michipicoten, through which passes the Jubilee break.

The strike on what is known as the Jubilee break was made several years ago on the end of two claims of Mercantino and Calibini opposite Jubilee Lake, the vein being found directly opposite their camp, and it goes across the lake into the Minto property. Larry Peters made another discovery on the south side of Wawa Lake, known as No. 2 Jubilee strike. Four years ago Peters sold these claims to Calibini for $200, and Mercantino took a half interest in the transaction. Mercantino and Calibini disposed of the claims to Gordon Michael for $30,000, and Michael optioned them to Pioneer for $60,000. The payment of $15,000, divided as above, completes the Jubilee break transaction.

Larry Peters staked six more claims on the south side of Wawa Lake on the hunch that the break would extend to that area. He was working on a hint dropped by Dr. Mackintosh Bell that the vein might be picked up further on, and from information coming down from the camp recently it is believed he has found it. Peters says he has found some very encouraging ore, and is confident he has picked up the break on the claims.

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Pushing Development

Wright-Hargreaves is driving down its north shaft to 2,000 feet and this will provide the mine with four new levels. On existing levels, material amounts of ore are being put in sight daily by driving on four faces on each level. From the 1,250 level west, 500 feet of new high-grade ore has been developed. On the south, vein extensions are being found to the east, and 900 feet of ore has been opened up, but the grade is lower than the north vein.

The Lake Shore is sinking from the surface to connect with a series of vertical raises which will be enlarged to the shaft size of 14 x 17 feet. Sixty feet of sinking has been done from the surface, and with a further 140 feet connection will be made with the raises, so that early next year there should be a new shaft through to the 1,000 level. As soon as this point is reached sinking will be continued to 1,600 feet, which is the present lowest level of the mine. This new shaft will provide two outlets, and, with the present shaft available entirely for the hoisting of ore, it is expected that 1,500 tons a day can be hoisted.

MANY NEW GROUPS IN SUDBURY DISTRICT

Towagmac and Canadian Exploration Secure Holding—Sudbury Basin Busy

Attention is again being focused on the Sudbury area. Towagmac Co., which is an exploration and development company has announced that they have taken up a group in the area. The recent additional details of the operation of Bunker Hill Sullivan has awakened new interest. Sudbury Basin Mines which is sponsored by some of the real pioneers in the zinc-lead area is carrying on quietly and is reported to have recently taken up some excellent properties. The public in Canada does not seem to have taken much interest in this company, but it is understood that the bulk of the stock is being purchased for United States account. It is understood that this company is in a good position.

There are several other United States concerns in the area and it is understood that Canadian Exploration, a subsidiary of the Harvie Exploration has secured an important group in the section close to the Bunker Hill ground.

Nipissing Results in Quebec Good and Bad

The third-quarter report of Nipissing Mines indicates that the Montbray results to date have been erratic, with some showings good and others poor. At Cobalt and South Lorrain work was said to be generally satisfactory.

A large shipment of high grade will be sent from Lorrain in a month or two and the Cobalt conglomerates are to be further explored.

Production for the three months ended September 30 was $263,362, making the nine months' total $771,663. Indications are that this year will be little behind last in production, and that the present six per cent. annual dividend will be earned.

LEBEL ORO HAS RESUMED WORK

Property Well Located to the West of Bidgood—Is North of Pawnee

Another operation has been launched in East Kirkland Lake. Lebel Oro, which is separated from Bidgood on the west by the Mud Lake claim, has started operations this week. A gang of men were put to work under Mr. Murdock, formerly of the Tonopah Mining Co., and are cleaning up while they are waiting the delivery of a plant which should be on the ground by now.

This property is direct north of Pawnee and has a shaft down over 200-ft. and considerable lateral work is done. This operation stood well in the camp a couple of years ago. Interests well known in the mining industry in the north are associated with it, and it is understood that the company's finances are in excellent shape. Lebel Oro shares were listed on the Standard Stock some two years or more ago, and it is likely that trading in them will now be revived. The capitalization of the company is perhaps the lowest of any of the Northern Ontario mining companies, $1,500,000 and over one third of this still remains in the treasury. There were issued for the property 750,000 shares at the time of organization.

B. C. Silver Reserves Estimated at $6,590,000

The following statement has been issued from the office of the B. C. Silver Corporation in London, England: As the result of a careful estimate on the ore position of the mines the consulting engineer states that: "We can reasonably expect 466,000 tons of ore of a gross value of $6,590,000 to be won from the exploring and mining of the ore bodies encountered to date." 88.74 tons of ore of a net value of $3,816.09 have been shipped to Tacoma smelter.

Control of Stock Salesmen Would Help Mining Industry

One paper facetiously remarks that the overcrowding of the jails of the country is due to the fact that so many wild-cat stock salesmen have been arrested.

This is a condition that, if true, would be a blessing to the mining industry.

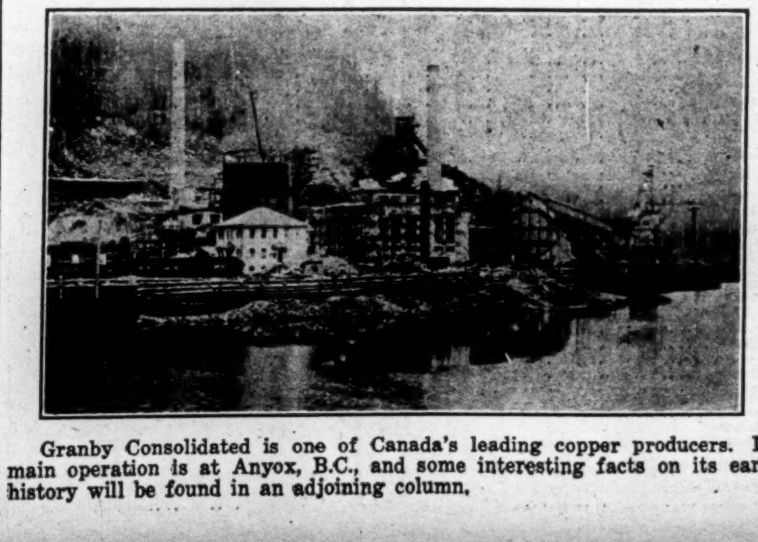
The country has been flooded with wild-catters, one-call salesmen and parasites. The boom in mining shares has been their meat.

The great bulk of these salesmen are from across the line. Action on the part of the authorities has revealed this. It indicates that control of houses selling shares and salesmen employed in selling shares would, perhaps, help a great deal.

Many contend that the people that are foolish enough to buy from such people are entitled to just what they get.

Tommyrot! But, even aside from this, there is another point. The majority of these spellbinders deal in alleged mining shares. The mining industry suffers as well as the public. If there is no desire to protect the public, a little consideration for the mining industry would be helpful to all.

Granby's Anyox Plant



Granby Consolidated is one of Canada's leading copper producers. Its main operation is at Anyox, B.C., and some interesting facts on its early history will be found in an adjoining column.

Bidgood Ore Shoot Has Width of 21-ft. on 300-ft. Level—To Raise and Sink

What One Mining Company Produces

Canada has some large base metal operations coming rapidly to the front. Some say that International Nickel is going to work out as another "Smelters."

Below will be found the day-to-day production of Consolidated Smelters' huge plant at Trail, B.C.

400	tons of lead.
270	tons of zinc.
60	tons of copper.
20,000	ounces of silver.
83	ounces of gold.

GOLD STOCKS ARE AGAIN COMING TO FRONT IN MARKET

Boom in Kirkland Lake Shares May Provide Market Leadership

The mining market has been a little off color of late, but this is not surprising. For those who are on the Bull side of the market, there has been much encouragement in the fact that no violent reactions have taken place. There has been a perceptible softening, that is all.

The public gets scarey and with the market lacking a definite leader, such as Amulet which held sway for several weeks, there is not just the same amount of enthusiasm.

The market shows a tendency to return strongly to the gold stocks. The big interest which Barry Hollinger and Bidgood provided in the gold speculations, has spread to others. The fact that these two operations are looking so well, has caused many to consider a number of other ventures that may work out along the same lines.

Kirkland Lake has been popular throughout the Bull market drive and indications are that it is going to continue much in the public eye. There seems to be no end to the good news from that camp and with so many new ventures starting up or rather resuming, it would not be surprising to see the camp dominate for some time to come.

Many are asking what is the matter with Amulet. There is a feeling among well informed mining speculators, non-professionals, that there has been a steady effort put forth to depress this stock.

Kerr Lake Shareholders Have Received Over 10 Million in Dividends

Kerr Lake Mines, Ltd., reports that at the Cobalt, Ontario, property there were obtained from No. 3 dump and a general clean-up of the floors of No. 7 rock house 14,509 lb. of concentrates, estimated to contain 14,972 oz. of silver. During the year 45,589 lb. of cobalt ore was sold. No development work was done at the property. The Tahoe silver property has remained idle.

Gold-dredging operations at the Rimu property, in New Zealand, produced 11,828 oz. of gold during the calendar year 1926, and for the first eight months of 1927 the recovery has amounted to 8,000 oz. of gold.

The total amount distributed to shareholders by the company to Aug. 31, 1927, is $10,371,000. Income and expenditure account for year ended Aug. 31, 1927, shows a surplus of revenue, over operating expense, of $142,882. Of this sum $111,000 was distributed to shareholders, leaving $31,882 to be carried forward.

PICARD GOLD MINES
Weekly Report

Hudson, Oct. 13-27.—Some of the men at the camp are at work getting logs for camp buildings.

Professor Bruce who visited the camp recently was much impressed with the favourable geology, structure and mineralization of the No. 1 vein, as shown in the shaft and trenches.

The length of this vein is at least 1600 feet. A grab sample of the footwall of this vein gave $25.00 over several inches, while channel samples gave $2.60 over 4 ft. and $2.80 over 2 ft.

Telluride has been identified here and the quartz is very well mineralized with pyrite and galena.

In my opinion you have here an exceedingly attractive property and one which fully warrants more work.

E. A. DOWMAN,
Engineer in charge.

Discovery Ranks Important and Means Much to the Camp

OTHERS OPERATING

Well Organized and Financed Effort Has Met With Good Success

KIRKLAND LAKE, Ont. — Your correspondent, through the courtesy of Manager Jack McPhee, was able to have a look at Bidgood's big find on the 300 foot level. Short of the repeated news of bigger and better ore shoots from the producers in the main camp, the Bidgood discovery is probably the most important find made since J. B. Tyrrell won his big bet on Kirkland Lake Gold. Important as is the finding of such a wide and long shoot in its material bearing on the property's future, it is fraught with even greater meaning to a score of mining property owners and thousands of shareholders who have put their money in various enterprises extending to the east from Tough-Oakes. A section of ten or twelve square miles is influenced by the Bidgood discovery, and immediate action has resulted at properties that have been waiting for a "break" in their direction.

New Interests Take Hold

When Leo Erenhous, president of Bidgood, and his fellow directors, provided the funds to make another effort at the property, there was no wild enthusiasm over their prospects. More than a mile of work underground had been carried on by the previous operators, who were compelled to close down at a time when mining money was not so plentiful as it is to-day. To get an old mine going again, to remake the effort to find ore, and to restore confidence, is no small order. Bidgood has been particularly well handled from the moment the mine was pumped dry. Diamond drilling to the east was first undertaken with the result that a quartz body 75 feet wide was cut.

Cut 21-Ft. of Ore

Then a crosscut was run in from the hanging wall of the drift which had followed No. 9 vein on the 300 foot level, at points where enrichment had been found. Two rounds were taken, and the new ore body was revealed, showing a width of 16 feet, with a further parallel body of five feet a short distance further in.

This ore body was opened up for a distance, and also crosscuts from the old workings were sent into it at points along a distance of 250 feet. The ore, of excellent commercial value, is showing for this distance. When the writer was in the mine recently, a raise was being driven upwards in the ore, and this is now within 30 feet of the 200 foot level. The ore has been found as strong and wide as at the discovery.

Half Mile Break

The break extends through Bidgood for a distance of half a mile, and exploration is being carried on as quickly as possible, and a larger compressor is now being installed to increase the drill capacity.

The importance of finding ore as development proceeds over the entire length of this vein system, is at once apparent, when it is known that the length of the property, as the break

(Continued on page 28)

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DOME'S EARNINGS ARE MUCH ABOVE DIVIDEND NEEDS

Nine Months' Results Show 10 Cent Drop Per Ton in Total Cost

Dome's nine month statement to Sept. 30 shows net earnings before depletion and depreciation of $1,367,223. This is sufficient to take care of the dividend of 75 cents per share on the 953,334 shares issued and leave a substantial balance.

The statement shows 406,700 tons milled and a recovery of $2,930,252 or $7.21 per ton. In 1926 the recovery was $7.09 per ton. Costs were $4.06 or 10c. per ton less than a year ago and the lowest in many years. The figures:

9 mos. to Sept. 30, tons. milled	406,700
Total recovery	$2,930,251.77
Per ton	7.21
Costs	1,650,236.31
Per ton	4.06
Taxes	76,788.78
Total costs	$1,727,025.09
Oper. profit	1,203,226.68
Misc. earnings	163,996.01
Net before depr. or depl.	$1,367,222.69

Sept. Dome figures were $326,622 as compared with $330,136 in Aug. and $324,114, in Sept., 1926. It is reported that Dome is making a further endeavor to buy two mining claims from Goldale. The outcome of the effort is still uncertain. Some time ago Dome made an offer of $100,000 for the two claims, but declined to meet demands from Goldale for a further consideration in the form of shares in Dome Mines Company. The negotiations were then suspended.

Since that time there has been encouraging progress made, and with the two companies coming closer together in terms Goldale recognizes the fact that the sedimentary formations turn in an easterly direction through the two claims in question, and appear to be willing to gamble on Dome requiring the ground at a higher price or carrying out developments which will point out the way in which Goldale itself might at some future date undertake development of the properties.

Reports from Sault Ste. Marie state that the Dome Mines have taken two options on the Wawa silver-lead funds of Mrs. M. E. Dispop. of Wawa, on three claims for $6,000 payable $1,500 September 30, March, July and October. These claims were staked on September 8. One of them adjoins Christie find and another the O'Keefe. Joe Johnston, formerly of the Soo, has also optioned three for $10,000. Douglas S. Baird acted for the Dome. The options are for 60 days and under it work must start in 15 days.

MINING STOCK QUOTATIONS
Week Ending Oct. 18

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Oct,18	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	....	....	....	....	....	....	4.05	.20
Aconda	1	....	....	26	21	25	110700	....	....	45	14½
Afton	.	....	....	....	....	....	....	....	....	1.08	1.00
Algonquin	1	....	....	3½	2½	3	83400	6¼	1½	5½	2
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Amal. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amity C.	.	....	....	39	30½	37	252950	....	....	39	24½
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	5.85	5.25	5B.5	254015	2.98	.90	7.10	.85
Apex	1	....	....	1½	1½	1½	1000	6	2¼	3½	1
Area	1	....	....	.64½	.56	.57	150170	1.55	.21	1.95	.23
Argo. Con.	1	....	....	49	41	44	269652	76	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	4	3¼	3½	51500	5	1⅛	7	2
Bedford	.	....	....	29	28	29	2800	....	....	30¾	27
Baldwin	1	....	....	2⅜	2	2	136600	6⅞	1	4¾	1
Bard	.	....	....	....	....	....	....	....	....	1.59	.25
Barry Holl.	1	....	....	.99	.90	.94½	614145	1.00	.21	1.00	.25
Beaver	1	....	....	1.95	1.82	1.85	21550	.99	.51	2.03	.59½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	9
Bidgood	1	....	....	96	61	89	1,117,220	9⅜	4½	96	5
Boischatel	None	....	....	4⅛	4	4½	25300	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Brit. Unit	.	....	....	....	....	....	....	....	....	88	76
Buckingham	1	....	....	5	4	4⅛	14300	7¼	2	9½	3
Bunker Hill	10	....	....	140	130	136	96	....	....	160	75¼
Can. Lorrain	1	....	....	18	15½	17½	18050	93	57	72	10
Capitol S.	1	....	....	22	16	21	43300	48½	24	34	14
Capitol R.	.	....	....	15¼	11	13½	264850	43	26	54½	10
Castle Tre.	1	....	....	.95	.71	.80	75175	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	2.00	1.66	1.92	93817	....	....	2.10	1.07
Chaput H.	1	....	....	15	13	13½	117950	22	3⅛	15	4⅜
Clifton	1	....	....	1	1	1	1000	6½	1	3½	½
Coast Copper	5	....	....	16.00	14.65	15.00	107	....	....	22.00	9.75
Col. Kirk.	1	....	....	8	3½	7	596600	6¾	2	8	1½
Comm. Mines	None	....	....	....	....	....	....	....	....	1.50	.71
Coniagas	5	....	....	5.00	4.85	5.00	420	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	5.05	5.00	5.00	1560	4.60	3.00	5.30	2.80
Cons. Smelter	25	10+5	.97	266	255	256½	10131	265	177¼	270	215
C. W. Dome	1	....	....	8	8	8	200	29½	14	19	4
Copper Hill	1	....	....	....	....	....	....	....	....	68	49
Copper Sul.	.	....	....	....	....	....	....	....	....	1.00	1.00
Corona	1	....	....	17½	16	16	179100	37½	20	37	10
Crown Res.	.	....	....	59½	48	56	119074	....	....	59½	39
C. American	.	....	....	....	....	....	....	....	....	1.30	1.26
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	1	....	....	....	....	....	....	41	40	43	25
Dome Mines	None	$1	10.01	11.00	9.99	9.99	5370	20.00	8.00	11.65	6.85
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
Dom. Kirk	1	....	....	9	7	8⅛	54700	....	....	12	1½
Don. Rouyn	1	....	....	30	12	26	61150	61	25	56½	17½
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dubec	.	....	....	....	....	....	....	....	....	1.48	.35
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Duprat	1	....	....	13½	12	12¾	50550	....	....	21	10
Dupuy	1	....	....	63	55	63	3505	....	....	79½	9
East. Metal	1	....	....	....	....	....	....	....	....	81.25	10.00
East. Que.	.	....	....	....	....	....	....	....	....	2.75	2.00
Everett	1	....	....	2	1¼	1¼	2600	12¼	3¼	5½	1¼
Federal Kirk.	1	....	....	45	42	44	30850	....	....	45	40
Fiske	1	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	....	....	....	....	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1¼	½
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Goldale	1	....	....	38	35½	38	62930	43	24	40¾	20
Gold Hill	1	....	....	36½	30	35	403550	73½	25	54	22
Gold Ore	.	....	....	....	....	....	....	....	....	2.45	.90
Gold Reef	1	....	....	2¼	1	1¾	19500	5	1	2½	½
Granada Rouyn	.	....	....	16	14½	16	46250	....	....	23	14½
Grover Daley	1	....	....	19	15½	18½	137300	32	18	37	8
Harvie Exp.(new)	.	....	....	2.20	2.00	2.00	330	....	....	2.40	2.00
Harvie Exp.	None	....	....	10.25	9.50	9.50	920	....	....	16.00	9.50
Haultain	1	....	....	....	....	....	....	....	....	15	14
Hillcrest c.	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.43	....	....	....	....	83	79½	87	81½
Hilltop	1	....	....	19½	14	18¼	236000	31½	20	24	6½
Hollinger	5	26	7.34	18.10	17.40	17.70	8650	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.00	.94	1.00	137450	....	....	1.05	.42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Indian	1	....	....	....	....	....	....	14½	2¼	12	4
Int. Nickel	$25	2	2.94	69½	66	68⅛	31822	46	32½	75	38
Jackson M.	1	....	....	63	43	59	481350	....	....	63	36
Jay Copper	.	....	....	....	....	....	....	1.10	.73	1.26	.30
Kamisko	.	....	....	....	....	....	....	....	....	10.75	7.26
Kamiskotia R.	10	....	....	....	....	....	....	....	....	10.80	10.20
Keeley	1	42	29.26	.85	.75	.82	15100	1.91	1.39	1.66	.70
Keora	1	....	....	4	3½	3½	3700	22	11	13½	2
Kirk. G.B.	1	....	....	....	....	....	....	....	....	1.92	.75
Kirk. Hunt.	1	....	....	26	22	24½	277958	34	8½	35	10
Kirk. Lake	1	....	....	2.75	2.55	2.65	155485	1.44	.69	2.80	.82
La Rose	1	....	....	9	8	9	1500	39	4	12	3
Lake Shore	1	40+10	1.82	27.50	26.75	27.40	6860	16.50	9.50	28.20	15.40
Lakeside L.	1	....	....	1	1	1	3200	10	1⅛	6	¾
Laurier	None	....	....	....	....	....	....	....	....	65	51
Laval	1	....	....	45	40	41	342480	45¾	21	75	19½
Lorrain C.	1	....	....	....	....	....	....	15	2	3¼	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	10c	....	....	....	....	....	....	....	....	21	20
Macassa	1	....	....	51	38	50	152200	43	22	51	18
Malartic	.	....	....	35	24½	33½	290580	....	....	35	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	42	40	41	12130	....	....	45	35
McDougall	1	....	....	75	70	73	33150	....	....	90	24
McKinley	1	....	....	18	16	17½	7000	26	8½	25½	11
McIntyre	5	20	3.46	28.90	28.40	28.85	663	29.75	22.70	28.90	24.00
Mentor	10	....	....	....	....	....	....	....	....	12.75	12.00
Millcrest	1	....	....	4½	3½	4½	17500	21½	3½	7½	2
Mining Corp.	5	25c	....	4.00	3.49	3.90	45571	4.45	2.60	4.00	2.90
Moneta	1	....	....	11	10	10	2000	18	11	15½	8¼
Montreal R.	1	....	....	19	16	18	1600	60	13	33	10
M'tchatel	1	....	....	....	....	....	....	....	....	43	19
N. A. Dev.	.	....	....	....	....	....	....	....	....	2.10	.30
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Newbec	1	....	....	1.20	.94	.97	323130	....	....	1.20	.67
Newray	1	....	....	48	48	48	1000	45	31	46	28
Night Hawk	1	....	....	7½	6	6	46200	17	3¼	10½	4½
Nipissing	5	6	4.37	7.00	6.45	6.85	11600	9.25	4.95	10.30	5.25
Noranda	None	....	....	27.25	26.60	26.75	25932	24.75	12.00	28.50	19.95
Ophir	1	....	....	2	1¼	1¼	2000	4¼	½	4⅜	¾
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	.42	.39	.41	8500	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	5	4	5	7500	32	14½	18	2
Porc. Crown	1	....	....	7	6½	7	4500	12	4	11	3
Pioneer	1	....	....	.67	.63	.63½	90515	1.22	.66	1.18	.53
Potter Doal	None	....	....	16	14½	14¾	102000	....	....	65	10½
Power & Mines	None	....	....	....	....	....	....	....	....	1.70	.75
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Premier Gold	1	32	14.03	2.30	2.22	2.28	11125	2.75	1.83	2.50	1.86
Preston	1	....	....	5	4	4	7600	9⅞	4	7	3
Ribago	1	....	....	39	34	38½	428200	....	....	87	13
Rouyn	1	....	....	4	3	3	19809	9	1⅛	5	1
Rouyn C.	1	....	....	....	....	....	....	....	....	4.28	1.15
Rouyn K.	.	....	....	....	....	....	....	....	....	1.10	.73
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4⅜	1
Rouyn G.	.	....	....	....	....	....	....	....	....	4	2½
Rubec	1	....	....	....	....	....	....	....	....	3.20	1.10
Siscoe	1	....	....	....	....	....	....	....	....	60	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	4½
Stadacona	None	....	....	25¼	23	25	196850	51	40	55	13
St. Anthony	1	....	....	37	35	35½	17500	....	....	60	16
Sud. Basin	1	....	....	4.00	4.00	4.00	200	....	....	4.00	4.00
Sylvanite	1	....	....	4.70	4.50	4.55	10130	....	....	4.80	2.60
St. Law. Zinc	.	....	....	....	....	....	....	780	....	82	72
Simard Un.	.	....	....	....	....	....	....	....	....	1.18	1.14
Timiskaming	1	....	....	....	....	....	....	15¼	6	7	4
Teck Hughes	1	10c	.91	11.15	10.25	10.95	59905	5.55	2.64	11.35	5.37
Thomp. Krist.	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	70	53	57	1,711,078	66	36	70	25
Towagmac	1	....	....	5.00	3.75	4.81	38712	6.10	3.15	5.75	2.85
United Cop.	.	....	....	....	....	....	....	....	....	5.32	3.00
Vic. Silver	1	....	....	3	2	2¾	46000	96	3⅛	14	2
Vickers	1	....	....	.70	.68	.68	700	1.22	.13	1.52	.25
Vipond	1	....	....	.64	.57	.61½	140021	2.02	1.49	1.75	.47
Wakenda	1	....	....	3	3	3	500	3¾	1	5	1
Wasapika	1	....	....	1¾	1¾	1¾	500	4	1	2	1
West D. Lake	1	....	....	17	15½	16½	57200	....	....	20	8
West Tree	1	....	....	4	3	4	15000	....	....	4	1
Wettlaufer	1	....	....	4	4	4	1000	10	2	4¾	1½
Wiltsey C.	1	....	....	57½	56½	57½	14900	....	....	59	50
Wright Har.	None	20c	2.53	8.05	7.65	7.89	73725	....	....	8.45	5.50
Ajax Oil	1	....	....	31	23½	31	67200	....	....	44	6½
Trojan Oil	.	....	....	....	....	....	....	....	....	8.60	4.00
Vac. Gas	1	....	....	9	9	9	3500	....	....	26	3

Nickel Shares Listed on Montreal Exchange

International Nickel shares were listed on Montreal Stock Exchange this week. For some time past there has been a feeling that the widespread market interest in International Nickel and the prominent position occupied by the common stock of the company warranted it being traded in on the regular Montreal Stock Exchange board. As a result, arrangements have been completed for transferring the stock from the Montreal Curb market to the larger exchange, and both common and preferred were called on the big board. It is also stated that a transfer office will be established in Montreal which will facilitate trading in the stock. The transfer agents, it is understood, will be the Royal Trust Company, with the Montreal Trust Company as registrars.

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McINTYRE AGAIN AFTER THE GOLDALE GROUP TO NORTH

Recent Production Figures Show Company Coming Up Well

With the completion of work at No. 11 shaft including installation of guides and shaft lining now finished, another phase has been reached in the progress of the program which was outlined four years ago for the development of McIntyre, says Timmins Citizen. Skips will operate this week for the first time in No. 11 shaft. Plans are now being prepared in connection with the much-discussed expansion of the milling capacity. Up to the present officials have declined to talk much about this phase of progress, having been busy with working out the development of the mine at the new low levels and connecting the old workings with the new central. Another six months' work approximately remains to be done before this work is in satisfactory condition, but by that time it is likely that plans for the expansion of milling facilities will be at an advanced stage. If milling facilities at McIntyre are brought up to the intended capacity of the mine for handling ore within two years, it is safe to predict for McIntyre a tonnage basis of close to 3,000 daily.

In Second Place

It is to be noted in official figures for the first half of 1927, that the output from McIntyre was a little higher than that coming from Dome Mines—this giving to McIntyre the distinction of being the second largest gold producing mine in Canada. This situation has held good through the third quarter, and, with the tonnage increase now indicated the situation will be greatly emphasized.

In connection with bringing No. 11 shaft into action a note of progress is provided by the fact that connections have been established between No. 5 workings and No. 11 on three levels, at depths of 1,875, 2,375 and 2,875 ft. respectively. Among the interesting features of the work of the next few months will be the installation of a primary crushing plant at the 4,000-foot level in No. 11 shaft. This will represent practically an underground mill for the primary crushing of ore before hoisting to surface.

Now that the new shaft has been completed and fully equipped, the general expenditure will be a great deal less. With an output of $5,000,000 a year, no difficulty is anticipated in showing profits of at least $2,000,000 a year—an amount exceeding 50 p.c. annually on the issued capital. This compares with only 20 per cent. being paid in dividends and is strongly indicative of a very large increase in dividends in due time. The process of "buying" profits as in the case of the past couple of years has appeared to be drawing toward a close.

Rise in Shares

Anent the recent advance in the market valuation of McIntyre stock, there appears to be no official explanation. The recent ore developments are not believed to be significant other than to confirm the management's anticipation of what would occur in the course of development of the lower levels of the mine. The manner in which McIntyre's growth has kept pace in recent years with anticipated developments has provided one of the most interesting spectacles in mining history. Public appreciation of this fact is revealed in the rise of McIntyre from a speculative venture in its early days to its present position among the most stable of mining enterprises.

Officials know, and all close observers know, that at the end of this year, the McIntyre Company could increase its dividend rate 100 per cent. if such a policy should fit in with their plans of expansion. The only reason for longer deferring the dividend increase, would be in case of plans for erection of still greater milling facilities—a new plant in addition to that now in operation. In that event, while dividend increases would not be as great as would otherwise be the case, yet the delay would be comparatively brief and the increase would be emphasized in due time as a consequence of the greater output thus made possible. Officials of McIntyre have not established shaft facilities for ore at a rate of close to 5,000 tons daily, without having utmost confidence in being able to reach at least two-thirds of that capacity.

Set New Records

McIntyre-Porcupine set new records during the nine months ended September 30, by handling about 380,000 tons of ore and producing over $2,900.000 in gold.

The ore coming from McIntyre has been averaging approximately $8 per ton. This is the highest average for any of the leading producers of Porcupine at this time.

The records show the mill has been handling an average of well over 1,400 tons of ore every twenty-four hours and that on a grade of $8 ore the percentage of recovery has been exceptionally high.

Improvements now being made in the mill, and the construction of an aerial tram to the new No. 11 shaft, is expected to result in a substantial increase in production. The indications are that the early increase in mill capacity may reach about 20 per cent.

With the plant having already been turning out gold at a rate of close to $4,000,000 annually, it follows that an increase of 20 per cent. in capacity would point toward production of close to $5,000,000 a year.

After New Claims

There is a report that Dome is negotiating for some of Goldale's claims. There is another report about that McIntyre are negotiating for another block. Dome, it is said, wants to buy Goldale's block of 120 acres north and west of the Dome property and McIntyre wants another block of 160 acres north and east of them. The story goes that Goldale have refused cash offers for these properties, but is willing to form a separate holding company and take stock in lieu of these properties.

Naturally, officials of the companies mentioned, are not discussing these reports in public just at present. It is understood, however, that negotiations have been on for some time. It is believed close to headquarters, that it is not Dome which is in negotiation with Goldale, but someone else. There have apparently been developments on Dome itself, which make Goldale's adjoining holdings look as though they might be valuable. It is possibly these very developments that have caused the recent strength in Dome's shares.

As for the McIntyre negotiations for Goldale's 160 acres north and west of them, these are believed to have advanced to a stage which is fairly well advanced.

A McIntyre official would not discuss the story except to say that he did not know anything about it. "We acquired some surface rights from Goldale last year," he said.

SAN ANTONIA MINE FORMED TAKE OVER RICE LAKE CLAIMS

Central Manitoba Property Acquired by Toronto Syndicate

A company has been organized by Stobie, Forlong & Co. to take over the San Antonio Gold property at Rice Lake, in the Central Manitoba field. It is understood that stocks will be issued shortly and listed on the Standard Mining Exchange. The San Antonio syndicate, which bought an option on the property from E. A. Pelletier in 1926, gave an option on the claims last January to a Toronto group known as the Wanipigow syndicate which has since opened up the property underground, two shafts having been sunk, and 2,000 ft. of drifting.

The Wanipigow syndicate has spent on development and prospecting approximately $120,000, and have been operating the property from the first of the year until September 15. The Winipigow syndicate will receive a block of the issued shares, for the money they have spent, and will have no further active interest. The San Antonio syndicate members will receive 303 shares for each unit issued in accordance with the original agreement.

The number 2 shaft is now being deepened to the 300 foot level, and lateral work on the first level is progressing. Values on the first level, number one vein show a marked improvement over the surface.

NEW ORE SHOOT ON W. DOME GROUP

Discovery on 1050-ft. Level West of the Dome Boundary —Good Grade Ore

What is described as the most important and largest discovery made on West Dome property is being opened on the 1,050-ft. level. Timmins Citizen says the vein where cut was the full width of the working and later opened to 15 ft. in width, with values over $10 per ton.

This new discovery was made about 1,200 ft. west of the Dome boundary line and in this section the management expect to soon open up not only a series of rich veins but an ore zone of large proportions. Diamond drilling in this particular section has proven a number of veins to exist with values running very high in gold content and substantial widths.

Approximately 400 ft. to the north of where this latest discovery was made on the 1,050-ft. level a vein has been traced on the surface for a length of about 200 ft. with channel assays over substantial widths, giving extremely high values.

Those in charge, also the directors, are extremely optimistic over current developments and are unanimous that the strike on the 1050 foot is the biggest they have yet encountered.

Plant is Ordered For Marclay Group

The recent favorable results obtained by Marclay Mines, from the westerly section of its large group of claims in Boischatel Township, has prompted the management to rush with all possible speed the installation of a complete mining plant. It is expected the new equipment will be taken in over the new T. and N. O. line as far as the Marclay properties, within the next two weeks.

The shaft sinking up to this time has been carried on by hand steel and has reached a depth of about 70 feet. High grade copper ore has been exposed along with a substantial showing of gold bearing rock. The first objective in connection with the shaft will be to sink to the 200 foot level and crosscut on the veins indicated. This depth should be reached in a comparatively short time after the mining equipment is installed. The shaft being 7 x 12 feet is large enough to carry on regular mining operations.

The company's financial position is comfortable and out of its total capitalization of 3,000,000 shares there still remains 1,400,000 shares in the treasury. Some of the officers and directors plan to visit the mine in connection with the development programme being mapped out.

CASTLE'S NEW ORE

Castle Trethewey has cut high grade silver ore, running around 6,000 ounces, on the 450 ft. level, in No. 1 shaft section. Reports from the North are that the ore is an extension of a Miller Lake-O'Brien zone. This opens up great possibilities for the Castle and also for Tanopah Co.

DEVELOPMENTS APPROACH MAJOR SCALE AT RIBAGO

Shaft No. 2 Completed and Now Operating—Heavy Mineralization

Developments at Ribago are approaching those of a major operation and the directors of the company will visit the property this week to consult with Murray Glazier, the engineer in charge, regarding extending operations to meet developments.

Shaft No. 2 has been completed and is now operating. The eight by ten two-compartment shaft is being sunk, at an estimated rate of 100 feet per month from depth of over 62 feet, which has now been reached. It is expected that No. 2 shaft will reach first level at 125 feet within thirty days. At this level, cross-cut is being run through the large mineralized zone to cut the four parallel veins, numbers 1, 2, 3 and 4, on which prospecting shafts have been sunk.

Mineralized Zone Stripped

The mineralized zone on claim 3028 has now been stripped, giving a defined width of 900 feet and has been traced for a length of about 1,200 feet. Three veins have been located to date, as follows: No. 39 vein has been traced for about 400 feet. This varies from a few inches to one foot and carries massive chalcopyrite, where exposed, in trenches 23 and 33. No. 35 vein has now been traced for a distance of 900 feet and is still being followed to the westward. This vein in places is one foot in width, carrying massive chalcopyrite in places. Vein No. 26 has been traced for over 500 feet in length and has massive chalcopyrite over two feet in width. The chalcopyrite is quite plentiful along the better exposed parts of this vein.

An interesting feature is that heavy mineralization occurs both inside and outside of these veins, with massive chalcopyrite in places where shot into.

Daily Production of Alberta Oil Wells

CALGARY.—The daily production of the leading oil wells in Alberta, is given by Calgary Oil Examiner as follows:

McLeod No. 1, 9 barrels; Royalite Nos. 1, 2 and 3 combined, 24 barrels; Edmonton Wainwright, 30; McLeod No. 2, 50; McLeod No. 3, 40; New McDougall-Segur No. 1, 62; Illinois-Alberta No. 1, 86; Home No. 1 (estimated) 100; Vulcan No. 1, 100; Dalhousie No. 5, 250; Devenish (potential production) 250 and Royalite No. 4, 547.

BIG PROGRAM FOR MARCH GOLD MINES

Company Will Sink New Shafts and Open Three New Levels

Following a visit of Pres. Hyman to the property in Porcupine, plans for immediate development of three new levels of March Gold Mines are announced.

Plans call for further work in the 60, 125 and 300-ft. levels. Two new shafts are to be sunk and diamond drilling carried on at the same time.

John C. Lively, New Liskeard, is the contractor engaged to do the shaft work and Reed & Ryan, diamond drillers, have sent a drill in to the camp to start their part of the work. When the new levels are reached the intention is to drift two ways from the veins, and thus make the lead under the swamp, where so many prominent geologists have predicted high grade ore to be found.

The company secured ore from the old levels which ran $7 to $10 a ton gold. It is the intention to resume the mill operations just as soon as the work on the new shafts assure the management of sufficient ore to keep operations at top speed. March Gold capitalization is now being increased by a million and a half.

Corona Will Diamond Drill its Latest Find

Corona Mines Consulting Engineer, J. C. Houston, has reported another discovery on the property. It is a little to the north of the discovery reported a few weeks ago. The last discovery has been traced for 300 feet in length, and is from 8 feet to 30 feet wide, with heavy copper mineralization. The latest find is in line with the Amulet ore zones. At the present time it is being opened up and will be diamond drilled. From the results to date, it is expected that the company will be able to undertake sinking a shaft as the mineralization is heavier in the test pits which are being sunk on the showing.

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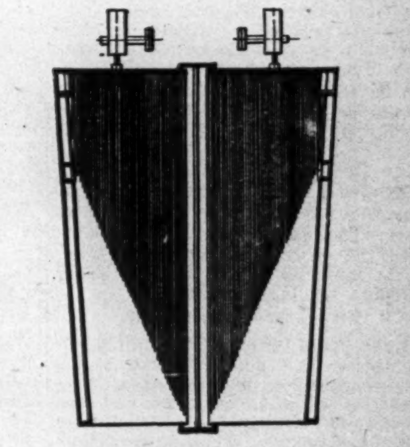

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Some Facts About Siscoe Gold Mines Limited

Shareholders, particularly of Siscoe Gold Mines stock, will be interested in the following facts regarding this Mine: —

Extensive development work has been carried out on the "C" vein to a point when the directors feel that they are developing a real mine.

A shaft has been sunk to a depth of 300 feet and at the 150 ft. vertical level a drift has been run over a length of 450 feet, and a further drift of 60 feet has been made at the 300 ft. level. 64 channel samples taken at the 150 ft. level and assayed by Milton Hersey Company ran as follows: —

1	$ 4.40	17	$ 3.20	33	$24.20	49	$13.60
2	3.10	18	27.46	34	10.18	50	52.80
3	8.20	19	11.60	35	28.20	51	88.80
4	1.50	20	31.00	36	25.80	52	41.00
5	10.00	21	171.20	37	1.00	53	59.00
6	1.90	22	20.50	38	2.00	54	40.00
7	.30	23	45.20	39	5.20	55	29.00
8	4.90	24	8.52	40	11.00	56	16.60
9	1.00	25	56.84	41	39.10	57	15.00
10	4.00	26	32.62	42	299.80	58	23.80
11	.50	27	9.40	43	45.60	59	5.60
12	48.10	28	18.80	44	10.44	60	18.20
13	5.40	29	21.00	45	143.80	61	205.00
14	3.20	30	2.00	46	13.00	62	34.60
15	2.00	31	20.20	47	.90	63	70.60
16	16.90	32	6.60	48	3.86	64	22.20

The average value of these assays gave $31.27 per ton in gold. In all cases visible gold was carefully eliminated from these samples.

The average width of vein is 4 feet, but it is widening at depth and shows up to six feet in some places at the 300 ft. level.

This high grade ore is even improving at depth, as was predicted by Prof. Bell of McGill and Mr. Summerhayes of Toronto.

Trenching to a length of 250 feet has been done on the "C" vein, and proves that this vein carries right to the surface, less the overburden, and this condition applies to the other gold veins on the island.

In addition to this "C" vein, there is the Siscoe, which has been sunk on 145 feet and drifted on 250 feet at that level. This vein is not so high grade as "C", but is satisfactory nevertheless, as it assays an average of $9.00 per ton in gold over a width of 6 feet, and moreover this vein has been proved by diamond drilling to 200 feet in depth.

There is also the "K" vein, which has been drifted on for 175 feet at a depth of about 100 feet and assayed throughout its length of $12.00 per ton in gold, over a width of 4 feet 6 inches.

There is also the "A" vein, which has been sunk on about 55 feet but no assays have as yet been taken, but gold showings are plainly visible.

Besides these veins mentioned, there are five other apparently distinct veins, but in further development two or more of them may be found to merge with one another, which will not hurt any.

The directors had hoped to have a mill installed this year, but delayed deliveries make that impossible, and it is therefore decided to concentrate the development work entirely on the "C" vein, drifting and sinking.

This property has been financed entirely by private interests and no treasury shares of Siscoe have been on the market in two years, but now that the reserve fund is being applied to increased development work, a block of treasury shares may be put on the market at a later date.

It has been a hard grind to bring this property through for the past nine years, but now, and from the foregoing, its future is certainly assured.

Assays from the 300 ft. level will be published when received.

The Siscoe Island proper has an area of 360 acres. The surrounding water rights and three other smaller gold bearing islands have an area of 588 acres, or a total area of 948 acres.

SISCOE GOLD MINES, LTD.,
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BRITISH CONCERN TAKES OVER PLANT OF LIGNITE BOARD

Will Remodel Plant at Early Date for Commercial Operations

Official announcement has been made by the minister in charge of the Bureau of Industries of the Government of Saskatchewan that the plant of the Lignite Utilization Board at Bienfait, Sask., has been acquired by the re-organized Western Dominion Collieries Company of Winnipeg, with additional British capital, which company will remodel the plant for commercial operations at the earliest possible date. It is understood that a prominent English engineer will be in charge of the work, possibly assisted by other Old Country experts. Thus fruition comes to the efforts of the Lignite Utilization Board, and there would seem to be every likelihood of a section at least of the Prairie Provinces being furnished with a certain supply of locally supplied fuel.

The agreement brings to a successful conclusion negotiations which have been carried on for some years since the experiments conducted jointly by the Dominion and Saskatchewan Governments reached a satisfactory termination. In 1918 the Lignite Utilization Board was formed to devise a means of utilizing the lignite which occurs in Eastern Saskatchewan and Manitoba, which is the only fuel of those areas but which falls to pieces when fined and has therefore only a restricted use. Enormous supplies of this fuel are available in those sections. The Board had to deal chiefly with the carbonizing and solidifying of the material so that it could stand carriage for long distances.

Five Years' Experiment

Five years were spent in experimentation and demonstration which involved the construction of a large plant at Bienfait in 1921 and the erection of a large oven which was completed in 1923. Thousands of tons of lignite were manufactured, demonstrating the practical production of a carbonized lignite briquette for domestic consumption and proved the technical process with full scale apparatus suitable for commercial conditions. Control passed into the hands of the Saskatchewan Government, which has since been negotiating for the taking over of the plant as a commercial utility. Due to various obstacles this has been tardy, but now is apparently successfully concluded.

One of the natural possessions of Western Canada which most forcibly struck the visiting delegates of the British Empire Mining and Metallurgical Congress was the coal of the sister province of Alberta. "Alberta's potential coal wealth is greater than all the known coal deposits in the rest of the British Empire put together," stated Sir Thomas Holland, chairman of the Congress. "If the present endeavors to change coal into a fluid fuel capable of displacing petroleum and all its products are successful, the advantage of the United States in having the richest oil deposits in the world will be killed and Canada will take the place of the United States as the world's provider of liquid fuel."

British to Operate Plant

Investigation into means of solving Canada's fuel problem is following varied and numerous lines and occupying the best minds not alone in Canada but also in the British Isles. An English syndicate, said to be closely associated with the British Government, whose primary object is to make the whole British Empire free from dependence on foreign sources for supplies of fuel and lubricating oils, is at present energetically looking into the Canadian field. It claims to be able to render Canada independent of imported coals and oils by submitting the Dominion's soft coals and lignite to a patented process and producing fuel for domestic and industrial purposes by removing the gas and oils. The syndicate, which is already operating two plants in England, declares its intention of operating similar plants in Canada, either themselves or in association with Canadians.

In the first six months of 1927, Canada produced 8.424,631 tons of coal worth $29,695,818, as compared with 6,895,813 tons worth $25,312,598 in the first half of 1926, an increase for the present year of 17.3 per cent. To this total, Nova Scotia contributed 3,572,122 tons; Alberta 3,170,551 tons; British Columbia 1,376,050 tons; Saskatchewan 195,393 tons; and New Brunswick 110,510 tons. Total imports of coal in the first half of 1927 were 9.578 679 tons. Great Britain contributed 179.679 tons of anthracite and 45.323 tons of bituminous, and the United States 1,489,534 tons of anthracite and 7,759,453 tons of bituminous.

New Cold Storage Plant

Negotiations for construction of a large cold storage plant at New Westminister are progressing, it is announced by the Mayor.

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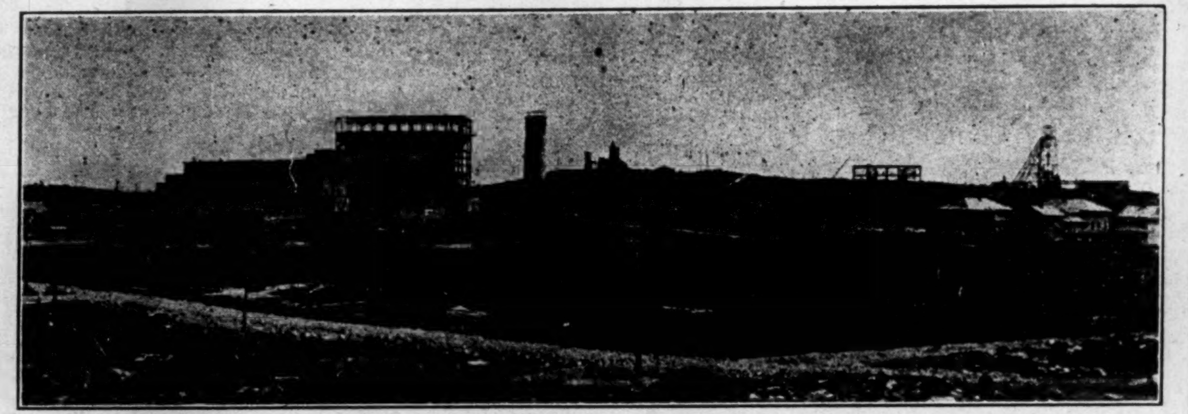
Noranda Smelter at Rouyn



Noranda Smelter is about ready to turn over. Many are expecting that before the end of October a start will be made. The anticipated output for the first few months will likely be around $400,000 monthly. However, accordingly as the equipment can be tested and brought up to the desired efficiency, it will be possible to gradually increase to the projected rate of 1,000 tons of ore and concentrates daily. Ore of $30 grade will go direct to the smelter, it is said, while lower grade will be concentrated to maintain this average. Allowing for possible adjustments, it would appear reasonable to expect the initial performance to be about 500 tons daily of $25 per ton recovery, indicating $375,000 to $400,000 a month. From this beginning the plant may be worked up to the projected rate and possibly attain output of close to $9,000,000 a year.

NORTH. MAN. HAS TWO HUGE MINES, FLIN-FLON AND SHERRITT-GORDON

(Continued from page 25)

who dropped their option. The initial drilling was done during the late winter and spring of 1925 and of the 28 holes put down 26 were in ore and a length of 10,800 ft. of ore, 15 ft. wide and carrying $13.40 in copper zinc and $1 in precious metals.

The last estimate which the writer has seen was that 3,000,000 tons of $14.40 ore was indicated in one 3,000-ft. section, 500 ft. deep and 15 ft. wide or $42,000,000.

Railway Situation

Since the recent development of the Sherrit it has changed the complexion entirely as regards railway, as the Sherrit-Gordon will be of sufficient size and tonnage itself to assure a railway and the same with Flin Flon. However the situation is a much better one now as great tonnage is assured, and both properties can be served by the one line. This also can be said about water power development, as the two properties are only 35 miles apart, the Sherritt-Gordon lying north-east of the Flin Flon mine.

It is intended to ship in four mine diamond drills, and with these on the way now and the two there at present, will make 8 drills for this property during 1928.

The property is financed for the present development programme to the extent of $5,000,000, which will amply cover the expenditures contemplated.

Flin Flon

The work on the Flin Flon property has progressed satisfactorily, and while some trouble was encountered with talc in the mill, it is understood this difficulty has been surmounted.

The mine has been opened up at the 500-ft. level and cross cuts and raises put in to test the ore from the centre ore body. It is understood that in some places gold values as high as $46 per ton have been encountered. This is found in the galena.

It is reported that engineers are now at the water power which it is proposed to develop on Churchill River and it is said that work on this will likely start this year.

News of Railway

Many are now looking forward to some announcement regarding to railway.

An engineer well posted on the area says the Sherrit-Gordon ore will not provide the same metallurgical problem as the Flin Flon as it is more massive and coarse grained.

Another new company has made its appearance—Callinan—Flin Flon. It embraces a number of claims adjoining Flin Flon and work will be started on its development in January.

Diamond drilling of Flin Flon Lake and the several showings now exposed will constitute the work for the present. The company has nearly 3,000 acres and all this is located around the Flin Flon mine.

The geology is the same as Flin Flon and great things are expected of this company.

Mandy Mine

Mr. Houstan of the Tonapah Mining Co. was up to visit this property during August and as soon as operations open up, the Mandy Co. will proceed with a development campaign.

The Mandy has now opened up about $16,000,000 in copper, zinc, gold and silver ore having shipped $2,500,000 of high grade copper ores during 1918-19.

Baker Patton

This property was diamond drilled each winter, and has some very promising showings, two lenses of ore averaging 4½ to 5 per cent. copper ore were drilled and this will be further drilled this coming winter.

This property is held under option by Messrs. Grace, Callinan, Green, Lee and Hacker.

Buy Amity Copper Gold Mine

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OFFERING 1,000,000 PIONEER SHARES TO SHAREHOLDERS

Company Will Sink Shaft and Later Build Mill in Michipicoten

Pioneer Mining Corp. will push ahead the exploration of its properties on Michipicoten and to provide funds for a new shaft, and later build a mill. 1,000,000 treasury shares are to be offered shareholders at 50 cents per share. Holders are allowed to take up one share for each two held. The statement sent shareholders follows:

As indicated in the Managing Director's Supplementary Report dated the 27th June last, the company's energies, apart from work at Gaspe and elsewhere, have been largely concentrated on the Minto vein and Jubilee Break in the Michipicoten District. Since June, an intensive programme of diamond drilling has been carried out on the Jubilee Break, and a few weeks ago an independent engineer with intimate knowledge of the district, Mr. G. W. MacLeod, was deputed to examine and report on both occurrences. The Board is advised both by Mr. MacLeod and the consulting engineer, Dr. J. Mackintosh Bell, that the profits from the ore so far opened up in the Minto down to the third level are sufficient to pay for the erection of a 100 tons a day mill, and leave an appreciable margin in addition. The Jubilee Break, which has now been traced for a length of about 4,000 feet on the property, presents features which are entirely new in the Michipicoten district, and the great lateral extent and the occurrence of gold over considerable widths, suggest the possibility of opening up a large mine. The Board have accordingly decided to sink a three-compartment shaft to the 250 foot level, at which horizon the drill hole results were especially encouraging, and drift at that and one other level. No decision will be taken regarding the erection of a mill until this work has proceeded sufficiently far to enable the company's engineers to determine the site and capacity which will best serve both properties.

For the purpose of this exploration further finance is necessary and the directors have decided forthwith to issue one million treasury shares at the price of fifty cents per share (the sterling equivalent of which is, for the purpose of this issue, fixed at 2s. 1d.) and to offer to shareholders shares in the proportion of one new share for every two shares held.

Seeing that a large number of the company's shares are owned by persons not on the register of the company, it has been decided that the right of subscription will be exercisable by the person actually in possession of the stock certificates of the company.

Application for new shares may be made and stock certificates produced for "marking" either at the office of the National Trust Company, Limited, 20 King Street East, Toronto, Ont., or at the office of the Huronian Belt Company, Limited, Friars House, 39-41 New Broad Street, London, E.C. 2.

Applications must be accompanied by payment of fifty cents per share, or the sterling equivalent of 2s. 1d. per share.

Application forms can be obtained at the aforesaid offices and will provide for the assignment of the right to allotment should this be desired.

The Huronian Belt Company, Limited, have guaranteed, free of commission, that the Pioneer Mining Corporation, Limited, shall receive a minimum subscription of 500,000 shares ($250,000). The only consideration for this guarantee will be the right to The Huronian Belt Company, Limited, to subscribe at any time up to the 31st December, 1928, for any shares not taken up under this issue at the rate of sixty cents per share.

The lists of subscription will be opened on Monday, October 17th, and will close at 12 o'clock noon, on Monday, October 31st.

DETROIT FUNDS FOR B. C. MINE OPERATION

Ogdad Company Places Balance of Treasury—Property Has Excellent Chance

VANCOUVER.—As a result of recent negotiations, Ogdad Mining Co. has completed a contract with mining interests of Detroit, Michigan, for the marketing of sufficient treasury stock to finance the company's operations, it is confidently expected, to production.

In taking over the balance of the Ogdad treasury stock, the manager of the financial syndicate with whom arrangements have been entered into, states that it is the intention to list this stock on a prominent Eastern stock exchange.

The directors fully expected that negotiations would have been completed in time to have made a start early in the summer, and are disappointed that such was not the case. They are taking the wiser course along the lines of arranging that their financing should be completed before undertaking the main operation of production.

At the outset, the directors realized that in order to obtain the fullest returns on the money invested, their policy should be to first prospect the claims and workings in a manner that should meet the approval of competent engineers and that following this, suitable machinery should be forwarded to the mine in accordance with the advice received by the board.

Dr. D. D. Cairns, of the Canada Geological Survey, in his report says: "Assays have been made that run as high as $149 per ton. A test sample of this ore weighing 3,267 pounds was sent to a firm of metallurgists in Vancouver who reported the ore to contain $25.80 in gold." Other reports have also been made on the property.

The board of directors includes C. L. White, comptroller of Vancouver Harbour Board, president; G. C. L. Miller, vice-president; H. V. Armson, Alexander Henderson, K.C., and T. D. Hammond, all of Vancouver.

Get Bond and Stock For Price of Bond

Coniaurum shareholders can purchase an $80 bond for $56 if they buy 8 shares of stock at $3 per share. This information is contained in an explanatory notice sent out by the company. It says:

The directors of the company will, on Dec. 1 next, send to the shareholders of record at the close of business on the 30th of November, a circular advising that the shareholders will be entitled, at any time prior to the 31st day of December, 1927, to purchase an $80 7 per cent. bond of the company for each 100 shares of stock held by him, at the rate of $56 per bond, provided that he subscribe for 8 shares of the company's stock at the discount rate of $3 per share.

In other words, $80 will purchase an $80 bond and 8 shares of stock fully paid up.

BIDGOOD ORE SHOOT HAS WIDTH OF 21-FT. ON 300-FT. LEVEL

(Continued from page 25)

runs, is greater than that of the principal producers at the main camp.

Many leading engineers and mine managers have visited and examined the discovery, and it is stated that Manager James Grant of Wright-Hargreaves took his own samplers into the property, and channel sampled the vein, and that his values were higher than those finally reported to the Bidgood directors by Manager McPhee. It is known that following Mr. Grant's examination, a large block of Bidgood shares were bought on the market by Albert Wende, of Wright-Hargreaves, and some of his friends, as a purely private transaction looking to the property as one having a future.

Not After Control

The report that the Wright-Hargreaves group is seeking control, is denied by Bidgood directors. With adequate funds and most favorable mining outlook, Mr. Erenhous and his associates are very hopeful of bringing Bidgood through as a gold producer.

Bidgood not only affects the immediate prospects of the eastern end of Kirkland Lake, but it serves to encourage other operators to go after ore aggressively, as Bidgood has done, away from the main break. One of the bugaboos of Northern operation has been that it was a faint hope to expect ore in sections away from the "big three" producers. To-day mining operation is steadily reaching out longer arms, and going ahead self-reliantly to follow the example of those directing Bidgood, with real mining nerve and common sense.

Bidgood owns more than 400 acres in one block on which it is operating, and has also a third interest in 170 acres adjacent. Its workings extend to a depth of 600 feet, and on the 400 foot level, work is proceeding to cut the downward extension of the ore body. Altogether, the development is very outstanding.

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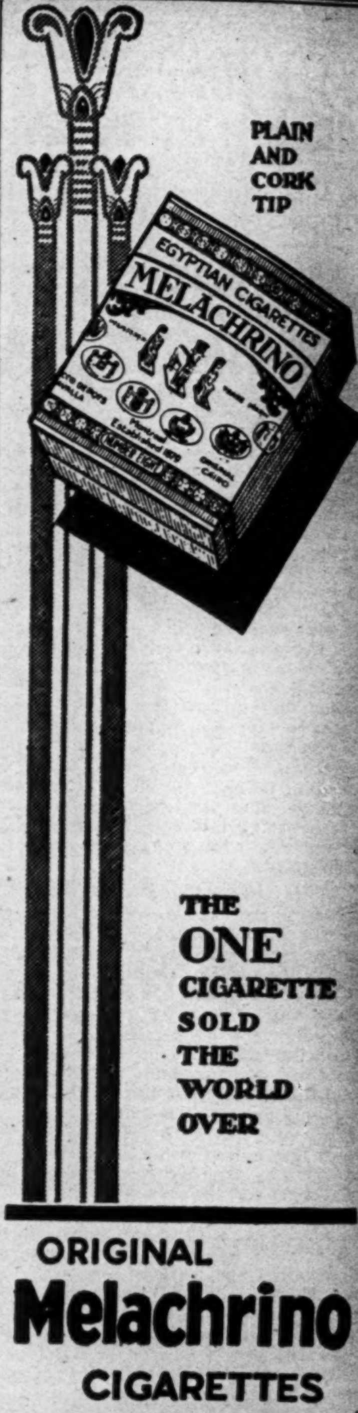

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Novamac Mines is First N.S. Stock to be Listed

Nova Scotia Gold Mining Company's Shares to be Listed in N.Y.

PROMISING PROJECT

Precious Metal Mining by Atlantic Rapidly Reviving—Many Large Interests Now Working Properties

By Staff Editor

HALIFAX.—The Novamac Mines & Power Corp. is practically the first mining company in this province to reach a point at which there is a real public investment interest in the project. Application is to be made to the New York Curb to list the shares and negotiations are under way with U. S. financial interests to underwrite 500,000 shares and when this is signed up the shares will be listed.

The Novamac Mines and Power Corporation owns the mineral rights on some 1,000 acres in Nova Scotia. These holdings may be divided into four groups all located in Guysboro county. Included in the corporation's 1,000 acres of mineral leases, though, is a comparatively small acreage in other sections of the province on which the showings are promising, but on which little work has been carried out within recent years.

The major holdings on which development work has been concentrated since the formation of the corporation about five months ago are in Guysboro county which lies on the Atlantic seaboard just south of Cape Breton Island.

The four groups of properties in this section are near Sherbrooke, in perhaps the richest gold mining area of the province. The largest group is at Goldenville and covers about 500 acres. Like the other areas held in Guysboro by the corporation, this property was worked some thirty or forty years ago with the crude and inefficient methods used at that time.

Result of a Merger

The Novamac Mines and Power Corporation is the outcome of a merger of three predecessor mining companies. During the past six years the Goldenville property has steadily been operated, and operated at a profit including the cost of development work at the mine. The present plan on this property consists of a 20 stamp mill; foundations have been laid for the addition of another twenty stamps on which work will commence as soon as the underground work warrants the additional milling capacity.

Underground work here includes a 260 foot shaft and about a mile and a half of drifting and cross cutting, most of which has been carried out during the past six years. This property now has some 75,000 tons of broken ore in the stopes. Underground work is underway leading to blocking out 2,000,000 tons of ore. When this is achieved, the capacity of the mill will be doubled; this will allow it to handle about 125 tons of ore daily.

The next most important holdings are at Cochran Hill, where a new 10 stamp mill has just begun to grind 20 to 25 tons or ore daily. As the mill is tuned up, this capacity will be increased. The Cochran Hill holdings cover about 175 acres and as development proceeds the capacity of this mill will also be doubled.

Development Work Done

The old shaft on the property went to a depth of 165 feet. The recent operators have just concluded shaft sinking to a depth of 250 feet where a station is now being cut. Cross cutting and drifting at the new lower level will begin immediately; 400 feet of drifting on the upper horizon was carried out in earlier days by the old-time, original owners of the property.

The chief mineral feature of the Cochran Hill holdings is the Mitchell belt—a mineralized zone with an average width over its entire length of 75 feet. This zone has been traced on the surface for a distance of at least 1,200 feet and is thought from surface indications to be even longer.

The holdings at Ecum Secum total some 75 acres and the old workings on the property include three shafts, each driven to a depth of between 200 and 300 feet. The total drifting amounts to over 1,400 feet. This property was one of the richest ever worked in Nova Scotia under the old methods in force in the gay nineties. The present plans of the Novamac Mines and Power Corporation call for the development of these holdings in the spring of 1928.

At Crow's Nest the corporation's holdings amount to about 25 acres. Only preliminary investigation work has been carried out here. As the property is situated only two miles from the Cochran Hill holdings, it is thought that ore from Crow's Nest may ultimately be milled at the Cochran Hill plant.

Has Power Sites Also

In addition to its mineral holdings, the Novamac Mines and Power Corporation owns the entire power rights on the Liscomb river which flows through some of its acreage. A hydro electric plant producing 550 h.p. is supplying power for the Goldenville operations. The potential capacity of the corporation's power sites is 12,000 h.p. according to the figures of the Nova Scotia Power Commission.

Power for the Cochran Hill plant is being temporarily supplied by an 85 h.p. semi-Diesel engine. Ultimately further power will be developed on the Liscomb river and the various holdings of the corporation will be linked by a high tension transmission line. In the meantime, though, development work will be concentrated entirely on underground workings so that different ore may be blocked out to permit further milling and expansion to the surface. It is the intention of the management to develop the project only along modern mining lines and to endeavour to build up a mine or mines which in the scale of their operations will be comparable to successful mining undertakings located elsewhere in the Dominion.

Financial Position Outlined

The capitalization of the Novamac Mines and Power is $5,000,000 in shares of $1 par value. Of this authorized capitalization, the corporation holds about $3,100,000 in its treasury—sufficient to provide for its future financial requirements. Of the 1,900,000 shares which have been issued, 1,400,000 shares went to the original owners of the component properties. This stock has all been pooled for a period of one year.

The remaining issued stock amounting to just over 500,000 shares has been lodged with a trustee to be sold for the benefit of the corporation. These shares will be underwritten by U. S. interests and have, or are now being offered to the public. The proceeds of this financing will be employed in further underground work leading to the enlarging of the ore reserves.

The corporation is in a good liquid position with no debts and no current liabilities. The finances are sufficient to meet the requirements of the next 18 months operations.

The remaining holdings of Novamac are in other sections of Nova Scotia. No development work has been carried out, but these smaller holdings occupy promising locations.

Different From Ontario

In Ontario, the fact that a company owned and was developing properties which had already been worked would not increase the attractiveness of its securities, but in Nova Scotia the reverse is true. In the mid-Victorian days in which the precious metal mining industry in the province first budded, bloomed and brought forth fruit, the mining methods in their crudeness were not even comparable to the primitive industrial methods of the period— or to the weird and wonderful furniture of the time. Mining was carried out largely by hand. If greater power was required, Dobbin was hitched to a windlass, or to some other mechanical contrivance, which was used as an actuating force for either mining or milling.

When the operators found water gaining on them in their shafts, or just as soon as very high grade ore petered out, or rather appeared to peter out, work was discontinued and the operators moved on to other claims which would bring rewards from surface work only.

Mining Laws Were Changed

Coupled with this the Nova Scotia mining laws discouraged any large efforts. Claims were only of about ¾ of an acre and the holders were under no obligation to work their properties. These mining laws have only been altered within the past six months; today the provincial mining laws are modelled on those of Ontario and Quebec. Large scale, efficient development of the province's mineral resources is now encouraged.

Thus in many sections of Nova Scotia there are large dumps of ore, which with the mineral develpoment now underway, will ultimately be milled and provide a satisfactory yield.

Mining claims in Nova Scotia are still 250 x 150 feet, but instead of holding only one claim, the owner may hold many provided the annual 50c rental per mining area is paid and providing the owner carries out the annual assessment work necessary under the law.

The rush to Cobalt at the beginning of this century, more or less killed mineral development in Nova Scotia. But it is being revived, and being revived more rapidly daily. The next year will witness the inauguration of many promising projects.

Large Interests Involved

The foregoing summarizes briefly some of the reasons which led to the decline in precious metal mining in this Atlantic province. Two factors were chiefly responsible for the increased mineral activity of which Novamac is one of the leading examples. They were the changed mining laws and the general increase in the interest in the mineral development of the Dominion as a whole.

It can now be said that larger mining interests of Great Britian, the United States and the Dominion are all vitally interested in the development which is now taking place in their various Nova Scotian holdings. Less than a year ago, such a statement would have been questioned in central Canada. But now it is admitted by all Canadians who follow mineral development closely.

While there are other projects in the province equally as interesting as those of the Novamac Mines and Power, yet the development of this company's properties holds more interest to the investor for there are large blocks of stocks held in Canada. From an investment standpoint there is wider public interest in this property than in many of the other undertakings which in many instances are being carried on privately till they reach a point where public financing is possible. The larger mining interests, naturally, are simply working away until they are assured of a mine before making any announcements which would interest investors or which would induce further competition in the Nova Scotia field.

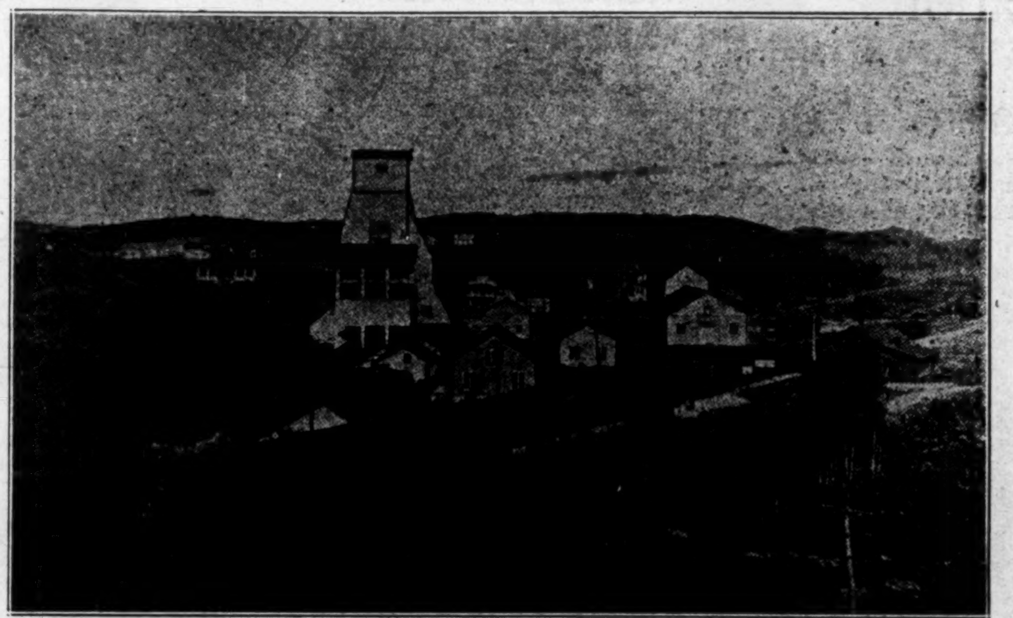
Is Making Profits

For the twelvemonth period ending March last, Novamac's Goldenville property produced gold valued at $37,834. The mining and milling costs of this property for the period were $19,803. Thus operating profits for the year amounted to over $18,000. These figures from comparatively small scale operations are indicative of what will be accomplished when Nova Scotia once again gets into her mining stride. The operations of the Novamac Mines and Power are directed by J. W. Warner; associated with him in charge of the technical supervision of the properties is E. A. Henderson, M. E.

From the proceeds of the present financing, together with the revenues from the sale of bullion from the mines, the management hopes to obtain sufficient funds to be able to carry out its complete development programme. It is planned that the properties will mill eventually 2,000 tons of ore daily.

When further power is developed, some of the output will be sold to other mining projects, the small towns and the little industries located in the territory surrounding the operations of the Novamac Mines and Power Corporation. Thus the corporation also plans to enter eventually the power distribution field.

Worthington Mine of Mond Nickel Co.



Another cave in took place this week at the old Worthington Mine of Mond Nickel Co. This is the second in a few weeks. It is likely that this will mean the end of this operation. It is doubtful if the company will go to the expense of sinking a new shaft and opening new workings though on last report some wonderfully rich ore, high in platinum, had been opened on a new deep level. The disaster at this, the smallest producer of the three Mond producing mines, had a serious effect on the price of Mond shares on the London market. They reacted quickly from around 55 shillings to a low of 47, but have since recovered sharply to around 51. The latest cave-in was more serious for the C. P. R. than the mine as it weakened the position of the roadbed. Worthington ore ran 3 per cent. nickel and 3.4 per cent. copper with a little platinum. During the past six months, a new level was opened to see what might be expected at a greater depth, as the mine was seemingly about through. This opened out new and richer ore than had been mined heretofore. At the time the writer received this information, the extent of the body was not known.

SMELTERS' DRILLS CUT HUGE COPPER BODY ON GEORGE

Indicated Ore Said to Run Around $20,000,000—Quit for Winter

From Our Own Correspondent

STEWART.—That the Consolidated Mining & Smelting Co. has diamond drilled into a huge body of gold-copper ore on the George Copper mine, Bear River Valley, is the report that has been received here as operations are discontinued for the season.

Unauthenticated statements are to the effect that the ore found would be of sufficient tonnage to make an estimate of $20,000,000 value not far wide of the mark.

Very much greater depth can be obtained on the ore body by drill holes from the river level which have not been attempted this season. Freezing up of the water supply and the approach of the season of heavy snowfall have decided the company against further operations until spring.

The vein was encountered at a vertical depth of 800 feet. Dipping it an angle of 60 degrees, the vein gives over 1,000 feet of backs, assuring a great tonnage.

In all the Consolidated now holds about 40 claims in the original George property and surrounding it.

The camp expects big developments on this property next year, every action of the company leading to that conclusion.

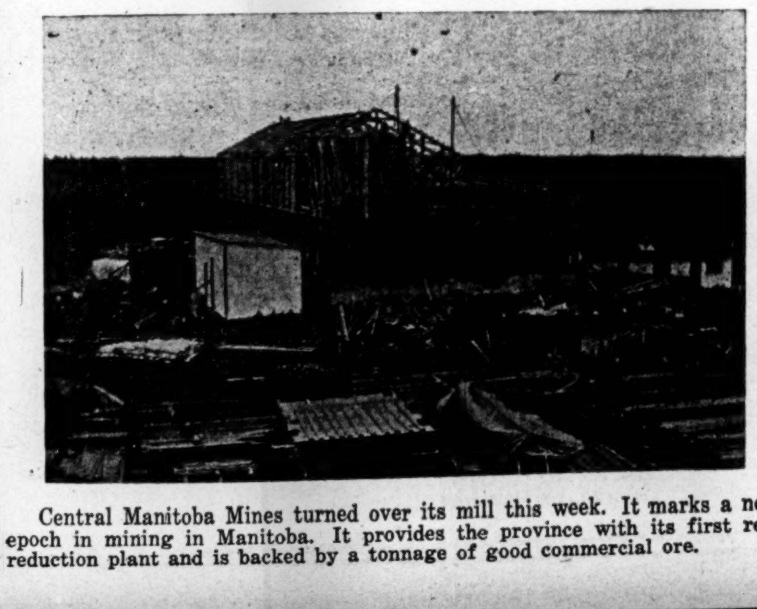
VICTORIA.—In Victoria, headquarters of the George Copper Mines, Ltd., the opinion is growing that the day is not far away when "Smelters" will have a central ore and concentrates smelter and refinery on the coast. Tonnage at the Coast Copper is steadily being proved. If Big Missouri pans out as expected by old-timers of the Portland Canal district Consolidated will have in the Coast Copper a low grade for a basic smelter ore and high grade from the north to sweeten it up.

Kirkland Gold to Again Drive Into Chaput Hughes

It is generally known that the ore bodies on Teck Hughes and Kirkland Lake are dipping to the south, and at a depth of between three and four thousand feet it is predicted that the continuation of the south vein of Teck Hughes will be picked up on Chaput. and that below 4,000 ft. there is a strong possibility of the Kirkland Lake ore bodies dipping on to Chaput.

Acting on this information last year the Kirkland Lake Mine secured control of Chaput Hughes. In the near future, Kirkland Lake will start to cross-cut from their deepest workings to open up Chaput.

Latest Gold Producer



Central Manitoba Mines turned over its mill this week. It marks a new epoch in mining in Manitoba. It provides the province with its first real reduction plant and is backed by a tonnage of good commercial ore.

GOLD STOCKS ARE AGAIN COMING TO FRONT IN MARKET

(Continued from page 25)

depress this stock. However, the effort has been confronted with a well informed public who are quite certain of the future of the property. Another factor of strength has been in the high price of the stock. There is little Amulet in weak hands. The price of $5,000 and $6,000 per 1,000 shares precludes this and makes it rather hard to depress or raid. There are reports around that the shares will sell materially higher soon. This may be just a guess. The company must do something sooner or later in regard new financing and this is what the public is eagerly awaiting for.

ST. ANTHONY HAS GOOD STRUCTURE ON MONTBRAY GROUP

Considerable Surface Work Accomplished, According to Engineer

St. Anthony Gold Mines is meeting with considerable encouragement on its Montbray operations, according to Douglas Mutch, consulting engineer. He says that recent work has yielded encouraging results. The sheared zone opened up on Claim 9868 in the northwest section continues to show important mineralization. Work has consisted of trenches in rock across the zone and in sinking of three pits to an average depth of 15 feet. Within the last two weeks further important geological structure has been revealed. This structure shows now an altered gabbro dyke on the south contact of the sheared zone, which dyke appears to be dipping to the southeast. The mineralized zone itself, made up principally of altered rhyolite, is striking northeast.

The north contact of this zone shows a flat lying quartz porphyry dyke. This dyke appears to be capping over the mineralized zone and presents a somewhat similar condition to that found recently on the Newbec property where such important results are being obtained.

Number 1 pit, sunk close to the south contact, shows at a depth of from 12 to 15 feet strong schisting with considerable mineralization mixed up with quartz. Its appearance is such that samples are being taken and assayed for gold. Approximately 100 feet northwest of this pit Number 2 pit and trench have been put down. Here, on surface, there is an iron capping showing considerable gossan. The ground here is badly broken up and altered and is dipping with and following under the flat lying porphyry dyke mentioned above. This section presents a very favorable line of weakness which we believe will extend to considerable depth. This is indicated fairly conclusively by the fact that although there has been excessive rains since work was started in this pit, it fails to hold water even though down 15 feet in depth. Water disappears so rapidly that we look for an extensive break in this section underlying the porphyry. At the present time work is extending this trench to the southeast. This is for the purpose of removing the iron capping. The trench is not only being extended for a length of approximately 50 feet, but is being deepened in rock. This deepening is the result of mineralization showing considerable chalcopyrite coming in more strongly as work progresses through the capping.

Bush Cons. Acquires Additional Ground

O. B. Bush, pres. Bush Consolidated Mines, has issued a statement that his company has acquired the Uncle Sam group of six and a fraction claims. These adjoin the Gold Cliff Premier group on the Alaska side of the line. It is just possible that the Bush Co. will organize a subsidiary to operate in Alaska.

Some important news may be forthcoming regarding Bush. It is understood that an influential New York group that did extremely well in the purchase of some Northern Ontario mining shares, which they still hold, are now seeking a substantial interest in Bush. Negotiations are on. In addition it is possible that there will be an important announcement regarding the acquisition of additional important ground. Meanwhile Bush is pushing ahead his exploratory program.

COPPER HILL HAS GOT GOOD RESULTS IN EFFORT TO DATE

Electrical Survey and Drilling Has Been Followed by Sinking

Julius M. Cohen's report on Copper Hill Mines says the Radiore Electrical Survey shows 17 conductors on the property. This and a geological survey were conducted previous to diamond drilling. Of the latter Mr. Cohen says:

> A total of 2,000 feet of diamond drilling was done, consisting of seven holes, all of which were put down at right angles to the formation and at angles of from 30 degrees to 60 degrees with the surface.
>
> These holes were so put down, that contact was not lost with the ore bodies and the results obtained were highly satisfactory. Ore was encountered in every hole across widths of from 22 feet to 54 feet and gave visual evidence of a large ore zone carrying massive and disseminated chalcopyrite. The dip of the ore body was determined to be almost vertical and the holes show that the mineralization continued, unchanged, to a depth of one hundred feet; that being the depth at which the drill holes cut the ore bodies. The formation was unchanged and the rhyolite, outside of the ore zones, showed heavy mineralization.
>
> **Shaft Sinking**
>
> Sinking operations have been started, a shaft 7 feet by 9 feet being sunk to a depth of 60 feet, at which depth, cross cutting to the north has been started and is now in for a length of 16 feet.
>
> This shaft was sunk on a siliceous zone carrying high chalcopyrite and the character and grade of the ore remained unchanged, throughout, the chalcopyrite becoming slightly more massive with depth.
>
> It is of extreme interest and importance, to note that the schist encountered in the cross cut, is well mineralized with chalcopyrite. This schist showed no values at the surface and, as there is, at least, a zone of this rock over six hundred feet in width, it is evident that any values disseminated through this mass, become of major importance, and should this condition exist across the width started, this property would immediately be stamped as a large mine.
>
> Further cross cutting will definitely determine this point, but due to the conformation of the surface it will be necessary to carry on this development from a lower horizon.

Mr. Cohen summing up says the drilling has shown the presence of an ore body of great width, carrying massive and disseminated chalcopyrite; shaft work has demonstrated that the ore zone continues without change and that the schisted rhyolite carries good values at about forty feet, where no values can be found on the surface. Surface trenching has proven that additional veins and ore bodies can be expected and that, at least, one of them is richer than the body now being so satisfactorily developed and the Radiore Survey has shown the presence of seventeen conductors and proven that the company's properties are well mineralized and are of great potential value.

GIVE TOWAGAMAC HOLDERS RIGHT TO BUY ALDERMAC

Can Take Up Shares in Noranda Subsidiary at $2

Shareholders of Towagmac, on record Nov. 3, will be given the right to take up one share of Aldermac mines at $2 per share for every five shares of Towagmac held. Notice to this effect is being sent out. Towagmac has 200,000 shares to place, and will use the funds to explore other properties. A new group has just been acquired in Sudbury area. The letter says:

> "The special general shareholders' meeting, called for as per enclosed notice on the 31st day of October, 1927, has for its object the ratification of the directors' decision, arrived at to-morrow, to dispose to the shareholders of our company of 200,000 shares of the capital stock of Aldermac Mines, Ltd., a company formed with a capitalization of 3,000,000 shares of no-par value to take over and operate the Alderson-Mackay Mine. Under the terms of the purchase agreement originally entered into with N. A. Timmins, Inc., and since taken over by Noranda Mines Ltd., your company has certain underwriting privileges of any treasury stock issued by Aldermac Mines, Ltd., and accordingly has purchased 200,000 shares of the first issue of this stock.
>
> "Your directors have now adopted a financial policy under which surplus funds will be invested in high-grade securities, the revenue thereby obtained to be spent on the search for and exploration of new properties. For the purpose of conserving in this manner the liquid resources of your company, as well as conferring an immediate benefit on our shareholders, your directors decided to distribute the above 200,000 shares of Aldermac Mines, Ltd., amongst them pro rata of their holdings at the price of $2 per share, the proceeds of this sale to be returned to the Towagmac treasury and invested in the manner stated above.
>
> "You may be interested to learn that your company has taken an option, under favorable terms, on a zinc-lead property in the Sudbury mining district, whose exploration is now being proceeded with. Should the results of this work be satisfactory, the finances needed for its further development will be secured by forming a subsidiary company, for whose treasury stock Towagmac shareholders will have the first right to subscribe. This policy will likewise be follower in the case of any other properties taken up by your company and giving promise of developing into mines."

Ready Now

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Encourage Exploration and Tax Those Who Find Ore, is Ontario Policy

Ontario Mine Assessor Addresses Canadian Tax Conference on Mine Taxation in Province of Ontario

The principles followed by Ontario in taxing its mining enterprises were discussed by G. R. Mickle, mine assessor of the province, before the Canadian Tax Conference this week.

Discussing the royalty or profit tax, Mr. Mickle said in effect, that it had been fixed as high as the traffic would bear; if it were any higher it would discourage investment in mines.

There are three kinds of mining taxation in Ontario, said Mr. Mickle. These are:

(1) Natural Gas Tax.
(2) Acreage Tax.
(3) Profit Tax.

Natural Gas Tax

Of these the first is very simple, being merely a fixed rate on the amount of gas produced and used in Canada each year. The rate amounts to $2 per million cubic feet. On gas wasted, the rate is ten times as much, as it is not entitled to the rebate mentioned in Section 47 of the Act. This proved to be a valuable feature and was the means of saving our most productive field, viz., the one in the County of Kent. As there were a number of very small producers who might be considered private and who would have added to the expense of administration without bringing in any substantial revenue, there is an exemption on amounts where the tax would not exceed five dollars. Unfortunately the production of natural gas in Ontario is diminishing and the future does not appear to be hopeful.

Describing the other taxes, the ones on mines, Mr. Mickle said in part:

Acreage Tax Applies to All

"Coming to the Acreage Tax, all lands patented as mining land in Ontario are subject to this tax unless they are situated in an organized municipality, in which case they would be liable for a tax to the municipality but not to the province.

"In order to consider the acreage tax intelligently, it is necesasry to understand the conditions under which lands have been granted in Ontario for mining purposes. In the first regulations formed to deal with mining lands, the size of the unit or "mining location" as it was called was fixed at 10 square miles, or 6,400 acres. The first grant of one of these monsters was made almost exactly 75 years ago on the 5th of October, 1852. The following year the regulations were modified so that by securing a license, which cost $100, an area not exceeding 400 acres might be bought. In 1869, an act was passed fixing the area of a mining location at 320, 160 or 80 acres. In 1892 the size was changed to 320, 160, 80 or 40 acres, and in 1906 the area was limited to 40 acres. The result of all this is that at the present time although for over 20 years covering the period of greatest mining activity in the province, the size of the mining claim has been limited to 40 acres, the average area of all the mining locations or claims subject to the acreage tax is over 80 acres. The fact is that the policy followed in the early days forced those who wished to secure land for mining purposes into purchasing areas which all experience since has shown are unnecessarily large.

Tax is 5 Cents an Acre

"The rate levied as acreage tax, five cents per acre, is less than it is in many places and it seems worth while to consider this and determine if possible whether that rate is a reasonable one or not." (Mr. Mickle figured that it was a reasonable rate and presented figures to show that if it were higher, exploration work would be held up. This was because the chances for success in mining were so small. Over 250,000 acres had been abandoned for taxes.)

"In the acreage tax, as with the natural gas, we notice that very small areas which would add to the expense of collection and bring no adequate return are eliminated, accordingly parcels of land less than ten acres in extent are exempt. Those are mostly islands taken up as mining lands, but actually intended for summer resorts. One feature worth noticing in the acreage tax is the one whereby a co-owner who pays the whole tax for four years may make an application to the Mining Court to compel the delinquent co-owners to pay their share or lose their interest. The term co-owner includes shareholder in a company. As this fact is becoming more widely known, the number availing themselves of this privilege is increasing and at present thirty to forty applications are being made yearly for this purpose."

Ten Thousand Dollars Exempt

Proceeding to discuss the profit tax, Mr. Mickle said: "Profits in excess of $10,000 are taxable at the rate of three per cent up to $1,000,000, and at five per cent on profits over $1,000,000 up to $5,000,000, and thereafter on an ascending scale which does not interest us much at present. In effect it is a tax on the value of the ore in the ground leviable only when it is brought to the surface and either sold or treated, as in order to determine the taxable amount the pit's month value is taken and from this is deducted all the expenses of bringing it to the surface. Certain expenses are excluded—taxes, for instance, with the exception of the Dominion Income Tax—and moreover no allowance for exhaustion of the mineral or depletion is made. Depreciation on plant and buildings is limited to a fixed arbitrary amount of fifteen per cent. Each calendar year is taken by itself and returns made on that to determine whether there is a profit or not. Thus it will sometimes happen that a mine may operate and produce for some years at a loss and then come into the profit-making stage when it immediately becomes liable for a tax.

"In general, it will be seen that the act is framed in such a way as to avoid disputes rather than to attain theoretic justice. Thus things that are incapable of exact determination are excluded altogether. To make the proper allowance for depletion, for instance, would require a complete knowledge of not only all the ore which may exist in the mine, but also the market prices of its products in the future. It is safe to say that no one has knowledge of this kind. The attempt to attain theoretic justice would entail very considerable expense and would, in the writer's opinion, be a delusion. In any mine with extensive workings there will be several members of the staff almost constantly employed in estimating ore reserves; it would obviously be expensive to the government and intolerable to the mines to attempt to duplicate this, and without such knowledge it would be futile to attempt to estimate the amount that should be allotted to depletion.

Tax Big Profit Makers

"The general effect of the profit tax is to throw the burden of taxation on the mines making a very large profit. Thus the statutory exemption of $10,000, which, of course, chiefly influences those making a small profit, works to this end, for instance, if the profit should happen to be exactly $10,000 the exemption is 100 per cent. if it should be $20,000 the exemption is 50 per cent.; if $100,000, 10 per cent, and when the profit is $1,000,000, the exemption is only 1 per cent., or almost vanishes, and the higher rate of taxation at five per cent. instead of three comes in force. This appears to be reasonable and good policy. The mining lands in the first place as we have seen are sold at a fixed moderate price, the acreage tax also is not excessive; the substantial revenue comes in the end from those who have been fortunate to secure extremely valuable mining lands.

"It would seem advisable to examine into the total amount of taxes which mines in Ontario are required to pay. From the discussion on the acreage tax we have seen that the venture of acquiring undeveloped mining lands and seeking to establish profitable mines on them is essentially hazardous. We are dependent for the main source of revenue on the successful outcome of the efforts of the bold spirits to whom this enterprise appeals, and in the end anything which discouraged them or caused them to slacken their effort would affect the revenue adversely. It seems to the writer that we would have a better view of this if we consider the gold mines by themselves. They are the most important from the revenue standpoint both at present and, as far as one can see, in the future. First of all it might be well to review briefly the history of gold mining in Ontario. As far back as the sixties there was a gold excitement in Eastern Ontario, no profitable mines resulting from this. Later on in various localities chiefly in the extreme Western part of the province there was another period of activity. The records do not appear to show that a single mine made a profit over any considerable period, in fact the total production was so small at that time that it was impossible any substantial profit could have been made. The first year in which any mine showed a profit was in 1912 due to the operation of mines in the Porcupine district The net result of operation on all gold mines at that time was still a loss and it was not till 1919 that the amount of profit made by the profit-making mines was sufficient to overbalance the expenditures on mines working at a loss and the non-producing mines and mining claims. The figures for that year showed that a little more than $3,000,000 profit was made by the few profit-making mines and approximately $2,000,000 was spent on all the other mines and mining claims. It has often been stated that for every dollar's worth of gold produced in the world more than a dollar is spent in the effort. It does not seem possible that any one has sufficient information to make any intelligent estimate of this matter. It does not appear reasonable, as the serious expensive work will cease if it brings no results. It is certainly not true of Ontario for the last eight years and will not be true in the future for a considerable number of years at least. The cost of producing a dollar's worth of gold, including expenditure on non-profit making and non-producing mines and claims, is between 80 and 90 cents.

Taxes Take Ten Per Cent.

"If we examine the operations of the profit-making gold mines for the years 1924-5-6 on the Mining Tax Act basis, the following results will be seen:

Total production	$84,411,516
Total taxes paid were $2,996,028, or 3.5 per cent. of returns.	
Total profits before deducting all taxes	$27,010,625
Taxes not deductable	1,342,032
Amount retained by owners	$25,668,593

"That is, the amount accruing to the various tax-levying bodies is 11.6 per cent. of that retained by the owners of the mines. Putting it in another way, of the amount available before payment of any taxes 89.6 per cent. goes to the owners and 10.4 per cent. to the public. During this same period if we include the non-profit making gold mines, the total production was $87,228,171. There was thus about $2,800,000 yielded by mines operated at a loss. The above figures include the value of the silver contained in bullion. This is about one-half a per cent. of the total.

"Long experience appears to show that the maximum amount which may be taken from anyone engaged in an enterprise involving hazard without discouraging him is about ten per cent.

"Most of the drilling for oil is done on land privately owned, the owner of the land also possessing any oil that may be there. It is the almost universal custom for the one drilling for oil to agree to give the owner of the land and the oil a royalty of one-eighth or 12.5 per cent. of the oil found and this is all the payment the owner of the oil receives. The one who takes the hazard gets seven-eighths of what is found. In the case of the gold mines under discussion whatever mineral may be there is already owned by the company operating the mine, the province having sold both land and minerals."

WILL DO ANOTHER 5,000-FT. DRILLING MARRIOTT GROUP

Latest Hole Cut Interesting Body of Chalcopyrite—Venture Looks Well

No. 13 on Marriott Mines has achieved some definite results. At a depth of 328 feet the drill cut considerable chalcopyrite although drillers did not expect to reach the ore zone before a depth of 400 feet. The engineer states that the chalcopyrite is particularly good as there is no pyrite with it.

In addition to the camp buildings which the company erected previously, an office, two bunk houses, a powder magazine and store house have recently been erected. A suitable building for storing the drill cores is also being erected.

Further trenching has revealed more highgrade showings and the management is satisfied that the further diamond drilling which is being carried on will enable them to make a detailed statement in the near future. The company recently contracted for an additional five thousand feet of diamond drilling.

A report sent shareholders and signed J. B. Stitt, M.E., engineer in charge, says:

"During the past season, from 15 to 20 men were continuously employed. To date about 1500 feet of diamond drilling and 1200 feet of trenching has been done. As a trenching campaign in heavy ground was undertaken, the total footage is not so impressive as might have been the case under more favorable conditions. With the exception of a small test pit about seven feet deep, the rock-breaking was confined to occasional surface shooting of promising formation.

"Results obtained during the summer were highly satisfactory. The trenching has assisted materially in defining the formations, and in addition has uncovered a new and promising zone of mineralization. Drilling has located the downward extension of the orebody for over 300 feet. The ore cut at depth is from 12 feet to 14 feet in width and consists of clean copper and iron sulphides with an entire absence of zinc, which is a decided advantage.

"Based upon past results, a winter drilling programme has been laid out, during which it is hoped to extend the known ore zone and secure information upon which to base a development plan. Present plans are to confine winter activities to diamond drilling, and if expected results are obtained, the property will be ready for actual development in about six months.

"Three camp buildings were erected and supplies for the winter are now being taken in to the property.

"The geological conditions on Marriott are excellent, and the recent location of ore at depth has removed any uncertainty regarding advisability of continuous intensive exploration this winter, to be followed by actual development next summer."

Trail Ore Receipts

Ore receipts at Trail Smelter from Oct. 1 to 7, inclusive, and from Jan. 1, 1927, to date, inclusive:

Company's mines	8,604	326,258
Other mines	3,173	118,220
Total	11,777	444,478

A bid of $30,100 for a seat on the Standard Stock and Mining Exchange was made by Messrs. Solloway, Mills & Company. This figure created a new high record for the Exchange.

Pioneer Mining Corporation
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(*NO PERSONAL LIABILITY*)

Offer to Shareholders of 1,000,000 shares of Par Value of $1.00 each in the proportion of one new share for every two shares held at the price of 50 cents per share

Toronto, Ont.
October 11th, 1927.

TO THE SHAREHOLDERS:

As indicated in the Managing Director's Supplementary Report dated the 27th June last, the Company's energies, apart from work at Gaspe and elsewhere, have been largely concentrated on the Minto vein and Jubilee Break in the Michipicoten District. Since June an intensive programme of diamond drilling has been carried out on the Jubilee Break, and a few weeks ago an independent engineer with intimate knowledge of the district, Mr. G. W. MacLeod, was deputed to examine and report on both occurrences. The Board is advised both by Mr. MacLeod and the Consulting Engineer, Dr. J. Mackintosh Bell, that the profits from the ore so far opened up in the Minto down to the third level are sufficent to pay for the erection of a 100 tons a day mill, and leave an appreciable margin in addition. The Jubilee Break, which has now been traced for a length of about 4,000 feet on the property, presents features which are entirely new in the Michipicoten District, and the great lateral extent and the occurrence of gold over considerable widths suggest the possibility of opening up a large mine. The Board have accordingly decided to sink a three-compartment shaft to the 250-foot level, at which horizon the drill hole results were especially encouraging, and drift at that and one other level. No decision will be taken regarding the erection of a mill until this work has proceeded sufficiently far to enable the Company's engineers to determine the site and capacity which will best serve both properties.

For the purpose of this exploration further finance is necessary, and the Directors have decided forthwith to issue One Million Treasury Shares at the price of Fifty Cents per share (the sterling equivalent of which is, for the purpose of this issue, fixed at 2s 1d) and to offer to shareholders shares in the proportion of one new share for every two shares held.

Seeing that a large number of the Company's shares are owned by persons not on the register of the Company, it has been decided that the right of subscription will be exercisable by the person actually in possession of the stock certificates of the Company.

Application for new shares may be made and stock certificates produced for "marking" either at the office of the **National Trust Company, Limited, 20 King St. East, Toronto, Ont.**, or at the office of **The Huronian Belt Company, Limited, Friars House, 39-41 New Broad Street, London, E.C. 2.**

Applications must be accompanied by payment of Fifty Cents per share, or the sterling equivalent of 2s 1d per share.

Application forms can be obtained at the aforesaid offices, and will provide for the assignment of the right to allotment should this be desired.

The Huronian Belt Company, Limited, have guaranteed, free of commission, that the Pioneer Mining Corporation, Limited, shall receive a minimum subscription of 500,000 shares $(250,000). The only consideration for this guarantee will be the right to The Huronian Belt Company, Limited, to subscribe at any time up to the 31st December, 1928, for any shares not taken up under this issue at the rate of Sixty Cents per share.

The lists of subscription will be opened on Monday, October 17th, and will close at 12 o'clock noon on Monday, October 31st.

A copy of this advertisement has been filed for registration with the Provincial Secretary, Ontario.

By order of the Board,
A. L. BURGESS,
Secretary.

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Our experience of several years, together with our up-to-date precision instruments and the possibilities of the combination of several methods are the outstanding features of our organization.

Complete information and printed matter will be gladly supplied upon request.

Our charges are very reasonable and we can cover a large acreage in a short time.

Before making any decision on prospecting and developments please ask our advice

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Mark Twain's Little Joke

TO this celebrated humorist is attributed the well-known definition of a mine as "a hole in the ground with a liar at the top."

Like most epigrams there was just sufficient truth in it to make it plausible and possible of misconstruction.

It's only within recent years that a great many people in this country woke up to the fact that the great writer was but indulging his sense of humor—they accepted the definition literally and eschewed mining as a means of income as they would a pestilential plague. Mining men were rated a degree lower than a porch climber.

Real mines don't need liars to proclaim their virtues or their ability to make big returns on the money invested in them. They tell their own story in matter-of-fact figures of production, of profits, and of payments to shareholders.

Ontario's "holes in the ground" have yielded to date something over a billion dollars in various minerals and the "liars at the top" have seen fit to distribute about a quarter billion dollars to their "gullible" shareholders in repayment for their financial co-operation.

Mark Twain's little joke has proven costly to lots of folks.

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MARITIMES SEE NEW ERA AND CAN ACCEPT CREDIT

Citizens Have Themselves Brought Prosperity Back Again

Signs multiply in proof of the fact that a new era of activity has opened up for the Maritime Provinces of Canada. The report of the Duncan Commission, following up the aggressive campaign of the area for the redressing of what it felt were wrongs long-suffered, was enthusiastically accepted and would seem to have injected a new spirit of energy destined to develop into greater accomplishments. The optimism expressed by the ports of Saint John and Halifax following their nationalization would seem to be merely indicative of a new activity in nearly every phase of the Maritimes' economic life.

The three provinces are not lagging behind other sections of the Dominion in producing a satisfactory crop. The apple crop of New Brunswick is estimated at as large as last year and Nova Scotia's greater. A fairly average crop will loom up the more importantly this year by reason of the reported light crop in the Eastern states, the chief competitor in the British market. A potato crop of much above the average is promised, with as much as a 40 per cent. increase in the Annapolis Valley of Nova Scotia and a substantially enhanced volume for export in New Brunswick. Prince Edward Island also expects to eclipse previous records. Government authorities have been visiting the potato markets and predict a much larger demand this year.

Increased Production of Farm Products

The production of other farm products is prospering. The output of dairy products and small fruits shows a gratifying increase and a new and promising industry to develop in Nova Scotia is the shipment of live hogs. Government attention is being directed towards the blueberry industry and arrangements for new growth made. The livestock of the area is receiving wide attention and recently a Nova Scotia bull was purchased by the New Zealand Government. Agricultural surveys are general in the area, and in New Brunswick the Development Branch of the Canadian Pacific Railway in co-operation with Macdonald College, Quebec, is conducting experiments to ascertain the value of gypsum in connection with potato culture.

The time is propitious for the advent of new population which the provinces are seeking more aggressively. New Brunswick is the first province to co-operate with the British and Canadian Federal Government in a scheme of assisted British land settlement to be inaugurated next spring. The Federal Minister of Agriculture recently visited the province and stated: "There are just as good opportunities, just as good chances of making a living, more than a living, in New Brunswick, as any other province of the Dominion. I want to add that I have never found such a combination of lines in which an agriculturist may succeed in any other province in the whole Dominion, as I have found in New Brunswick."

Mining Industry Is Brightening

In the mining industry things are brighter. Both New Brunswick and Nova Scotia increased their mineral productions in 1926 over 1925, and judging by half-yearly figures further increments will be recorded in 1927. The coal mines of Nova Scotia increased their output by 30 per cent. in the first nine months of the year. Twelve gold mining companies are in active operation in Nova Scotia this year and some promising new finds have been reported. A diatomaceous earth property near Digby has been acquired by a Montreal syndicate and is to be developed, while other deposits in the same province are being looked into by the same syndicate. Interest is extremely pronounced in the province's gypsum deposits.

The old established industries of lumbering and fishing are receiving more pertinent attention with a view to further improving conditions and expanding markets. Pulp and paper production, through new establishments, is coming to play a more important part in wood products' revenue. A commission is being appointed by the Federal Government to investigate all phases of the fishing industry of the Maritimes, one of the chief objects being to determine what action could be taken to enlarge markets. Considerable industrial expansion is apparent. A total of 94 new companies was incorporated in Nova Scotia alone in the first seven months of 1927 with a capital of $15,800,000.

Tourist Traffic Is Heavy

Most striking are the growing popularity of the Maritime Provinces, with holiday visitors and the growing revenue from this source. Tourist traffic in Nova Scotia has, according to report, doubled this year over last. An enormous increase is similarly shown in New Brunswick. Up to July 31st, more than 67,000 automobiles had entered this province from outside points, as compared with 42,000 for the corresponding period of 1926. The fame of the varied beauty of these lovely provinces is steadily extending.

The same stimulation of activity is apparent in practically all directions. Prince Edward Island is devoting serious attention to the canning of fish in which Nova Scotia has attained such success. Fruit canning and processing is expanding considerably in Nova Scotia. Throughout the Maritimes, the domestic fur industry is growing as evidenced by the formation of the Chinchilla Rabbit Breeders Association in Nova Scotia and the incorporation of the Maritime Muskrat Company with capital of $50,000 in New Brunswick. Taking all this in combination with the increased traffic already apparent from Maritime ports and their energetic efforts after more, an entirely new and more prosperous era would seem to be opening up for the Maritime Provinces, for which their own people are directly responsible.

Statistics compiled in connection with the operation of the Moose Jaw power plant for the first eight months of the present year show the output for that period at more than 1,000,000 kilowatt hours in excess of the corresponding period of last year, the percentage of increase being 15.35.

NEW YORK GOES AFTER SUPREMACY OF LONDON 'CHANGE

Will Permit the Listing of Foreign Share Issues

NEW YORK.—New York stock exchange will now permit the listing of securities of foreign corporations. Certain restrictions have been placed on such listings, but the new concession is a development of striking importance reflecting the rise of New York as a world money centre.

London has listed foreign securities for many years.

Listing of securities of foreign corporations on the New York Stock Exchange is expected to be the greatest step in the enhancement of New York's position in international finance since the establishment of the Federal Reserve system. It is believed here it will prove of increasing benefit to many branches of the American financial structure not directly connected with the distribution of securities, and will hasten and enlarge the participation of American and Canadian banking houses in many functions concentrated mainly in London before the war.

Extend Foreign Connections

Large scale listing of foreign internal shares is expected to result in more than a broadening of the outlook and investment choice of security buyers on this continent. Banks and investment houses will find it necessary to extend their connections abroad, keep in closer touch with foreign developments other than those pertaining strictly to government finance, and especially to strengthen their sources of credit on foreign financial houses and corporations.

These requirements are expected to lead to increased business and freer flow of funds between New York and foreign countries. The United States now easily leads in long-term lending to foreign countries, lending larger sums than England does now or did before the war. In short-term lending, however, London still leads. British bank and discount houses have at all times complete credit information concerning important foreign institutions, both financial and industrial. Intimate financial relationships and the cosmopolitan character of British capital contributed greatly to England's pre-war standing in international finance. Listing of foreign internal shares on the New York Stock Exchange is expected to lessen London's premier position in these respects.

Arbitrage Revival Expected

Revival of arbitrage between New York and foreign markets is expected to be another result of listing foreign internal shares. Before the war many houses here and in London derived substantial revenue from dealing in securities listed in both markets, taking advantage in one city of small movements in the other. The fact that to be available for listing, foreign shares must be in the form of certificates issued by an approved institution or by the American branch of an approved foreign institution and based upon deposit with a foreign correspondent of the original foreign shares is not expected to stand in the way of arbitraging. Most of the pre-war arbitrage business was in American railroad stocks and bonds listed in London, and is no longer of great importance due to the repatriation of a great part of England's holdings of American stocks.

Cable companies are expected to be benefited. With the radio companies, they should obtain much heavier traffic through the increased need for quick communication between Wall Street and European financial centres. The report of the Stock Exchange committee on the subject suggests that "daily cable communication between New York and foreign institutions would permit the one to issue certificates for the local market as original securities were deposited with the other, and vice versa."

Banks and trust companies will have a broader field for their activities as fiscal agents. It is true the Stock Exchange will permit the same institutions which issue the certificates to act as fiscal agents for payment of all dividends on outstanding issues at current rates of exchange. But it is probable that many such issuing bankers will delegate these duties to other banking firms specializing in these duties.

As of July 1, last, there were liston on the New York Stock Exchange only four issues of American certificates for deposited foreign shares. There were 239 foreign dollar bonds of all classes listed, and 16 issues of foreign bonds in foreign currencies.

There recently were admitted to unlisted trading privileges on the New York Curb, a score or more of foreign securities. It is understood that these are being groomed for listing on the New York Stock Exchange, as the Curb houses sponsoring them have close relations with Stock Exchange firms. There are also upward of 150 foreign issues which have been investigated by the Curb authorities within the last five or six months, and most of these able to qualify are expected to apply for listing on the New York Stock Exchange.

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Are Your Affairs in Order?
IT is a natural human impulse for a man to protect his dependants, yet the accumulation of the resources he leaves his family, representing in part the results of a lifetime of striving, may be sacrificed by poor administration when he is gone.
"I hereby appoint The Toronto General Trusts Corporation to be the Executor and Trustee of this my Will"—is a clause that has guaranteed this protection and comfort of thousands of families and dependants.
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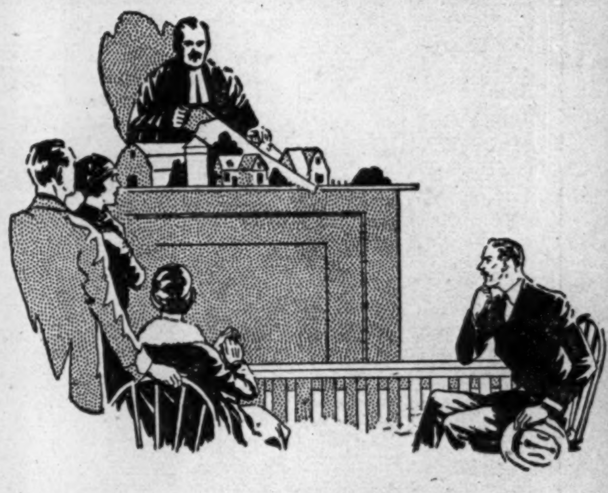

Husband lost one-half of his own property
There were no children. His real estate was in his wife's name. Following a brief illness the wife died. No Will was found.
Consequently, in accordance with the Law, one half of the real estate passed to the wife's relatives. Only 50% of what actually was his own property was returned to the husband by the court.
Every person should make a Will to prevent the peculiar tricks played by death upon estates when there is no Will.
A talk with our officers, without charge, may be worth many hundreds of dollars to your estate.
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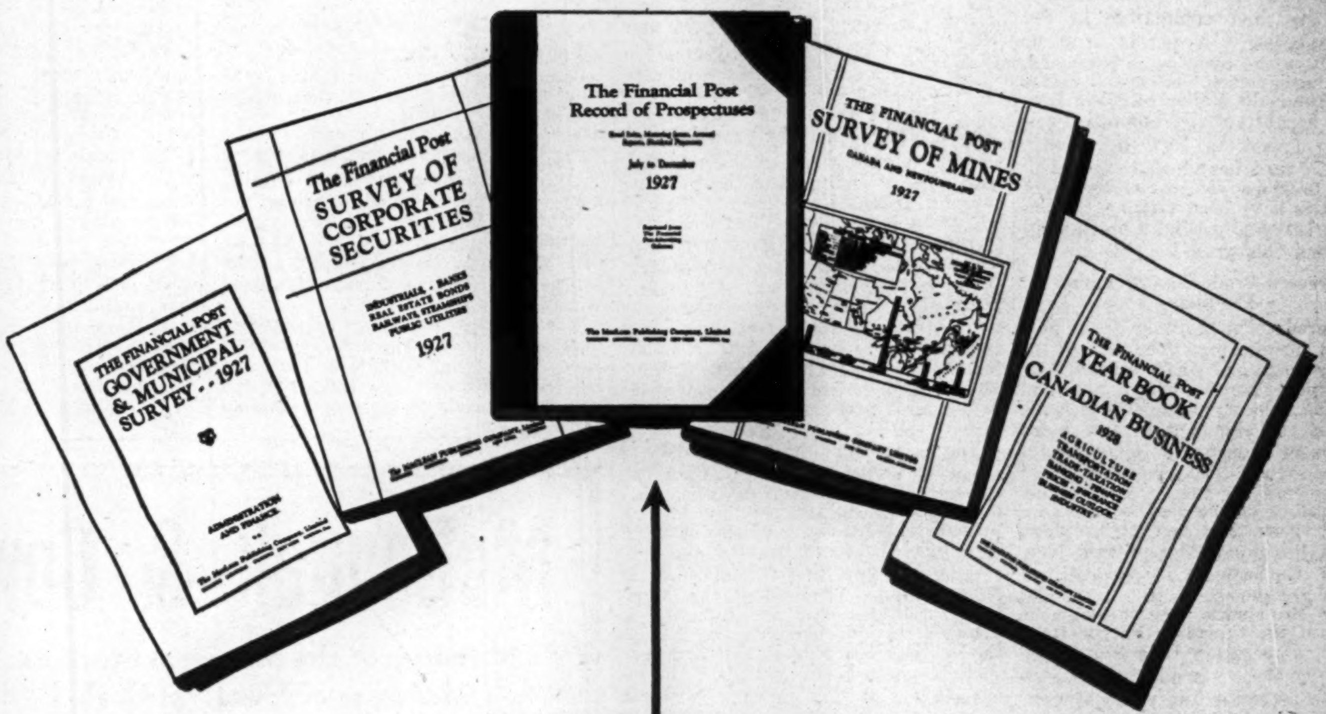
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